S. Hrg. 99-6

DONALD PAUL HODEL NOMINATION

HEARING

BEFORE THE

COMMITTEE ON ENERGY AND NATURAL RESOURCES UNITED STATES SENATE

NINETY-NINTH CONGRESS

FIRST SESSION

ON THE

NOMINATION OF
DONALD PAUL HODEL TO BE SECRETARY OF THE INTERIOR

FEBRUARY 1, 1985

Printed for the use of
Committee on Energy and Natural Resources

U.S. GOVERNMENT PRINTING OFFICE
44-127 O WASHINGTON : 1985

S311-31

COMMITTEE ON ENERGY AND NATURAL RESOURCES

JAMES A. McCLURE, Idaho, *Chairman*

MARK O. HATFIELD, Oregon
LOWELL P. WEICKER, Jr., Connecticut
PETE V. DOMENICI, New Mexico
MALCOLM WALLOP, Wyoming
JOHN W. WARNER, Virginia
FRANK H. MURKOWSKI, Alaska
DON NICKLES, Oklahoma
CHIC HECHT, Nevada
JOHN H. CHAFEE, Rhode Island
JOHN HEINZ, Pennsylvania
DANIEL J. EVANS, Washington

J. BENNETT JOHNSTON, Louisiana
DALE BUMPERS, Arkansas
WENDELL H. FORD, Kentucky
HOWARD M. METZENBAUM, Ohio
SPARK M. MATSUNAGA, Hawaii
JOHN MELCHER, Montana
BILL BRADLEY, New Jersey
CARL LEVIN, Michigan

Frank M. Cushing, *Staff Director*
Gary G. Ellsworth, *Chief Counsel*
D. Michael Harvey, *Chief Counsel for the Minority*

CONTENTS

STATEMENTS

Page
Berryman, Jack H., executive vice president. International Association of Fish and Wildlife Agencies 262
Butler, William A., vice president and general counsel, National Audubon Society; accompanied by Brock Evans, vice president for national issues 198
Clusen, Charles M., vice president, conservation, the Wilderness Society 248
Crandall, Derrick A., president, American Recreation Coalition 269
Domenici, Hon. Pete V., a U.S. Senator from the State of New Mexico 63
Gianoutsos, Theodore N., Arlington, VA 293
Hair, Dr. Jay D., executive vice president, National Wildlife Federation, Washington, DC 125
Harjo, Suzan Shown, executive director, National Congress of American Indians 229
Hatfield, Hon. Mark O., a U.S. Senator from the State of Oregon 8
Hecht, Hon. Chic, a U.S. Senator from the State of Nevada 6
Hodel, Hon. Donald Paul, nominee to be Secretary of the Interior 11
Johnston, Hon. J. Bennett, a U.S. Senator from the State of Louisiana 35
Lamar, Newton, president, National Tribal Chairmen's Association 229
McClure, Hon. James A., a U.S. Senator from the State of Idaho 1
Metzenbaum, Hon. Howard M., a U.S. Senator from the State of Ohio 29
Murkowski, Hon. Frank H., a U.S. Senator from the State of Alaska 33
Nickels, Jack W., Jr., rancher, Fort Peck, MT 106
O'Meara, J.W., executive vice president, National Water Resources Association, Washington, DC 102
Packwood, Hon. Bob, a U.S. Senator from the State of Oregon 9
Painter, William, Washington programs director, Defenders of Wildlife 211
Porter, Carol A., director, national affairs office, Wildlife Legislative Fund of America 265
Santini, James D., Washington representative, National Tour Association 288
Shephard, James M., director, national/international operations, Ducks Unlimited, Inc 284
Wallop, Hon. Malcolm, a U.S. Senator from the State of Wyoming 52
Webb, L. Geoffrey, Washington representative, Friends of the Earth 236

APPENDIXES

APPENDIX I

Biography and informational statement of Donald Paul Hodel 303

APPENDIX II

Responses to additional questions 343

APPENDIX III

Additional statements and communications submitted for the record 483

DONALD PAUL HODEL NOMINATION

FRIDAY, FEBRUARY 1, 1985

U.S. Senate,
Committee on Energy and Natural Resources,
Washington, DC.

The committee met, pursuant to notice, at 9 a.m., in room SD-366, Dirksen Office Building, Hon. James A. McClure, chairman, presiding.

Present: Senators McClure, Hatfield, Domenici, Wallop, Warner, Murkowski, Nickles, Hecht, Heinz, Evans, Johnston, Bumpers, Ford, Metzenbaum, and Levin.

Also present: Frank M. Cushing, staff director; James P. Beirne, senior counsel; D. Michael Harvey, chief counsel for the minority; Thomas B. Williams, Benjamin S. Cooper, and Linda Mason, professional staff members for the minority; and James T. Bruce, counsel for the minority.

OPENING STATEMENT OF HON. JAMES A. McCLURE, A U.S. SENATOR FROM THE STATE OF IDAHO

The Chairman. The committee will come to order.

This hearing is to consider the Presidential nomination of Donald Paul Hodel to be Secretary of the Department of the Interior.

I have a prepared statement which will be made a part of the record at this point and in the interest of time I will not make any further statement at this time.

[The prepared statement of Senator McClure follows:]

OPENING STATEMENT
CHAIRMAN JAMES A. MCCLURE
COMMITTEE ON ENERGY AND NATURAL RESOURCES
FEBRUARY 1, 1985

THE COMMITTEE WILL COME TO ORDER.

THIS HEARING IS TO CONSIDER THE PRESIDENTIAL NOMINATION OF DONALD PAUL HODEL TO BE SECRETARY OF THE DEPARTMENT OF THE INTERIOR.

FOR THE PAST TWO YEARS, MR. HODEL HAS SERVED AS SECRETARY OF ENERGY, AND PRIOR TO THAT PERFORMED THE DUTIES OF UNDER SECRETARY OF THE DEPARTMENT OF THE INTERIOR. HE HAS ALSO SERVED AS ADMINISTRATOR OF THE BONNEVILLE POWER ADMINISTRATION. HE BRINGS A SOLID REPUTATION AS AN EFFECTIVE ADMINISTRATOR; A BROAD KNOWLEDGE OF OUR NATURAL RESOURCES AND THE ENVIRONMENT; AND A KEEN SENSE OF THE RESPONSIBILITIES HE FACES. IT IS OBVIOUS THAT HIS SOUND RECORD QUALIFIES HIM TO BE SECRETARY OF THE INTERIOR.

THIS WILL LIKELY BE AN ACTIVE CONGRESS AND I LOOK FORWARD TO WORKING WITH THE DEPARTMENT IN RESOLVING THE VARIOUS ISSUES WHICH WILL BE BEFORE THE COMMITTEE. I AM AS COMMITTED AS THE ADMINISTRATION TO BRINGING THE BUDGET UNDER CONTROL AND I SINCERELY HOPE THAT WE WILL HAVE THE FULL SUPPORT OF THE DEPARTMENT AND THE ADMINISTRATION IN SEEING THAT OUR RESPONSIBILITIES TO THE AMERICAN PEOPLE ARE PERFORMED IN A MANNER WHICH WILL NOT ONLY BE COST EFFECTIVE BUT WHICH WILL ALSO CONTRIBUTE TO THE FUTURE GROWTH AND WELFARE OF THIS NATION. THE DEPARTMENT'S RESPONSIBILITIES INCLUDE BOTH PROTECTION AND DEVELOPMENT OF THE PUBLIC LANDS, RESEARCH AND CONSERVATION, THE

CARE AND MANAGEMENT OF OUR NATIONAL PARKS AND HISTORIC RESOURCES AND THE WELFARE AND DEVELOPMENT OF OUR CITIZENS IN THE TERRITORIES. THE TASK IS COMPLEX INVOLVING MANY DIFFICULT JUDGMENTS AND OFTEN REQUIRING A BALANCING OF VARIED CONFLICTING INTERESTS.

THAT TASK IS MADE ALL THE MORE DIFFICULT IN THE FACE OF THE BUDGET DEFICIT, AND IT WILL REQUIRE CONSIDERABLE SKILL AND SENSITIVITY TO DETERMINE WHERE BUDGET SAVINGS CAN BE MADE WITHOUT JEOPARDIZING OUR RESPONSIBILITIES OR OUR FUTURE. CERTAIN ACTIVITIES SUCH AS THE MINERAL RESEARCH INSTITUTES ARE INVESTMENTS IN OUR FUTURE, AND THE PROTECTION OF OUR NATIONAL PARKS IS AN OBLIGATION WE HAVE TO OTHER GENERATIONS. WE WILL NEED TO WORK TOGETHER IF WE ARE TO RESOLVE THE TASKS BEFORE US AFFECTING THE PUBLIC DOMAIN, INCLUDING RANGELAND ISSUES AND SECTION 3 OF THE FEDERAL COAL LEASING ACT AND SECTION 2(C) OF THE MINERAL LANDS LEASING ACT. WE NEED TO BRING AN ORDER TO THE DEVELOPMENT OF THE OUTER CONTINENTAL SHELF AND WE NEED TO EXERT OUR EFFORTS TO ASSIST THE TERRITORIAL GOVERNMENTS TO BECOME ECONOMICALLY SELF SUFFICIENT. WE WILL NEED TO CONSIDER INNOVATIVE SOLUTIONS TO SOME OF OUR PROBLEMS, SUCH AS LAND EXCHANGES RATHER THAN ACQUISITON, AND WE WILL NEED TO BE RECEPTIVE TO PROPOSALS WHICH MAY PROMOTE MORE EFFECTIVE MANAGEMENT OF OUR RESOURCES. IN THAT REGARD I HOPE THAT THE RECENT PROPOSALS BY THE BUREAU OF LAND MANAGEMENT AND THE FOREST SERVICE ON LAND TRANSFERS WILL BE CAREFULLY CONSIDERED BY EVERYONE AS THE PROPOSAL IS DEVELOPED. I WOULD EXPECT BOTH THE

Department of the Interior and the Department of Agriculture to consult closely with not only this Committee and the affected States, but also with the many organizations and individuals who will be interested and affected.

I expect that the Administration will again transmit the Compact of Free Association to the Congress for approval and I hope to work with you and other members of the Administration to ensure that our commitments to those emerging governments are fulfilled in a manner which fully recognizes their sovereignty and self government.

As I stated at the outset, Secretary Hodel brings to this job the background and experience to deal with these issues as well as the commitment and senstivity which are so vital.

We have a large number of witnesses today and I would like to request that at the proper time all witnesses submit their formal statements for the Record and summarize their remarks.

The CHAIRMAN. Senator Hecht, do you have any statement you would wish to make before we proceed with the introduction of the nominee?

Senator HECHT. Thank you, Mr. Chairman. In the interest of time, since you are not making a statement I'd like for my statement to be in the record, too.

The CHAIRMAN. Without objection, so ordered.

[The prepared statement of Senator Hecht follows:]

JAMES A. MC CLURE, IDAHO, CHAIRMAN
MARK O. HATFIELD, OREG.
LOWELL P. WEICKER, JR., CONN.
PETE V. DOMENICI, N. MEX.
MALCOLM WALLOP, WYO.
JOHN W. WARNER, VA.
FRANK H. MURKOWSKI, ALASKA
DON NICKLES, OKLA.
CHIC HECHT, NEV.
JOHN H. CHAFEE, R.I.
JOHN HEINZ, PA.
J. BENNETT JOHNSTON, LA.
HENRY M. JACKSON, WASH.
DALE BUMPERS, ARK.
WENDELL H. FORD, KY.
HOWARD M. METZENBAUM, OHIO
SPARK M. MATSUNAGA, HAWAII
JOHN MELCHER, MONT.
PAUL E. TSONGAS, MASS.
BILL BRADLEY, N.J.
MICHAEL D. HATHAWAY, STAFF DIRECTOR
CHARLES A. TRABANDT, CHIEF COUNSEL
D. MICHAEL HARVEY, CHIEF COUNSEL FOR THE MINORITY

United States Senate
COMMITTEE ON
ENERGY AND NATURAL RESOURCES
WASHINGTON, D.C. 20510

STATEMENT OF SENATOR HECHT FEB. 1, 1985

MR. CHAIRMAN:

I SEE WE HAVE AN EXTREMELY LONG WITNESS LIST FOR TODAY'S HEARING, SO I WILL ONLY TAKE A MINUTE TO SPEAK MY MIND ABOUT A FEW INTERIOR DEPARTMENT PROGRAMS THAT ARE OF VITAL CONCERN TO MY REGION OF THE COUNTRY, AND NEVADA IN PARTICULAR.

FIRST, I AM VERY CONCERNED ABOUT THE PROPOSED LAND INTERCHANGE BETWEEN THE FOREST SERVICE AND BUREAU OF LAND MANAGEMENT. WE HAVE A GREAT NUMBER OF DEDICATED FEDERAL EMPLOYEES IN NEVADA FOR WHOM THIS PROPOSAL CAME AS A TOTAL SURPRISE. THEY ARE CONCERNED ABOUT THE FUTURE OF THEIR JOBS AND WHAT THEIR ACTUAL MISSION WILL BE OVER THE NEXT 6 - 12 MONTHS. THESE ARE THE PEOPLE WHO WORK IN THE TRENCHES EVERY DAY, MR. CHAIRMAN, AND I HOPE THAT MR. HODEL WILL MOVE PROMPTLY TO BRING THIS INTERCHANGE PROPOSAL INTO A LITTLE BETTER FOCUS.

SECOND, WE HAVE A NUMBER OF WATER-RELATED PROBLEMS IN THE STATE OF NEVADA. WE HAVE FLOOD PROBLEMS IN SOUTHERN NEVADA. WE HAVE SO-CALLED ENDANGERED DESERT PUPFISH IN NEARLY EVERY POTHOLE ACROSS THE STATE. WE ARE IN THE MIDDLE OF A NASTY BATTLE OVER WATER RIGHTS IN THE TRUCKEE RIVER NEAR FALLON, NEVADA. AND BEING BOTH THE FASTEST GROWING AND MOST ARID STATE IN THE NATION, WE HAVE A GREAT NEED TO UNDERTAKE ADDITIONAL LONG-TERM WATER SUPPLY RESEARCH PROJECTS. IT IS ESSENTIAL THAT THE DEPARTMENT OF INTERIOR PLAY A CONSTRUCTIVE ROLE IN BOTH

THE HANDLING OF LOCALIZED WATER PROBLEMS AND IN GETTING OUR NATIONAL WATER DEVELOPMENT PROGRAM BACK ON TRACK.

FINALLY, I WANT TO REMIND MY COLLEAGUES OF THE IMPORTANCE OF MINERAL DEVELOPMENT IN OUR OVERALL NATIONAL SECURITY POLICY. WE MUST BE CERTAIN THAT DESIGNATION OF WILDERNESS AREAS ~~[illegible]~~ IS DONE VERY CAREFULLY SO AS TO NOT UNDULY COMPROMISE THE POTENTIAL OF MINERAL DEVELOPMENT. WE SPEND HUNDREDS OF BILLIONS OF DOLLARS EACH YEAR ON NATIONAL DEFENSE. WE ARE REBUILDING OUR NATION'S STRATEGIC WEAPONS ARSENAL; WE ARE EVEN EXPLORING THE POSSIBILITY OF PLACING DEFENSIVE WEAPONS SYSTEMS IN SPACE. LET ME JUST SUGGEST, HOWEVER, THAT WE WILL NEVER BE SAFE SO LONG AS WE ARE DEPENDENT ON UNSTABLE, FOREIGN SOURCES OF STRATEGIC AND CRITICAL MINERALS. I KNOW THAT MR. HODEL RECOGNIZES THIS VULNERABILITY, AND I HOPE THAT HE HAS THE COURAGE TO ADDRESS THIS PROBLEM IN HIS NEW ROLE AS INTERIOR SECRETARY.

MR. CHAIRMAN, I WILL HAVE TO LEAVE THIS HEARING SHORTLY, SO LET ME FINISH BY WISHING SECRETARY HODEL THE BEST OF LUCK IN DODGING THE RHETORICAL SALVOS WHICH ARE VERY SOON TO COMMENCE, AND I LOOK FORWARD TO WORKING WITH HIM IN THE FUTURE.

The **Chairman**. It is a distinct pleasure to have this man back before the committee. He is no stranger to this committee at all, but to introduce that nominee we have two distinguished Senators from the State of Oregon, one a member of this committee who, except for his choice to be chairman of another, would be chairman of this committee, our colleague, Senator Mark Hatfield.

STATEMENT OF HON. MARK O. HATFIELD, A U.S. SENATOR FROM THE STATE OF OREGON

Senator **Hatfield**. Thank you, Mr. Chairman.

Mr. Chairman, Senator Packwood, Secretary Hodel and I were just talking about the number of times we have appeared before this committee to introduce this gentleman, and we came to the conclusion that if he could hold a job we wouldn't be required to do this. [Laughter.]

Mr. Chairman, I'm going to be very brief because this gentleman, Don Hodel, is well known to this committee. He has passed the careful scrutiny of this committee on previous occasions for the distinguished positions to which he has been appointed.

He is a native Oregonian, and a Harvard graduate and a University of Oregon law graduate, and has held outstanding positions of responsibility in Federal agencies, as well as having demonstrated his capacity in the law as a private practitioner, and one who has been engaged in consultative work in the business world.

First of all, he was appointed as Deputy Administrator of the Bonneville Power Administration, as you know, deputy to Russ Richmond. I remember when your distinguished predecessor, Mr. Chairman, Scoop Jackson from the State of Washington, who had had many, many years of association with the Bonneville Power Administration and the energy problems of the Northwest, described Don Hodel as one of the most able men to be appointed to that agency.

Don Hodel has been carefully scrutinized by members of this committee, both Democrat and Republican, and has had a record of performance that I feel few have achieved in public service in the agencies that he has represented.

From the deputy role he was appointed as Administrator of the Bonneville Power Administration and faced difficult questions and decisions at that time and did it with a very high degree of professionalism. He then was recommended by Senator Packwood and myself to the new administration in 1981 for the post of Secretary of the Interior. At that time he was not appointed to that position, but did receive an appointment as Under Secretary, in which he served very ably. And then, as you know, he was moved from there to take on the job as Secretary of Energy. And now he is nominated for the post as Secretary of the Interior.

Let me just take a couple minutes longer to get out of the biographical and the record of accomplishment, to talk about Don Hodel the man. I think to know Don Hodel is to understand and like a person who is motivated by the highest degree of public service, a man who has a keen intellect, a man who you do not have to agree with—in fact, we haven't agreed on a number of matters over the years and that certainly in no way has other than enhanced my respect for him, because he is not a polarizer.

He's a man who can develop consensus out of diversity. He is a man who has been able to disagree without rupturing working relationships. I have seen him in very tough situations and I believe that even his strongest adversaries on particular policies or issues would have nothing but the highest respect for him as a person, even though they might differ with him on the issues.

And Lord only knows, in our political culture of today, as well as our general culture that is so permeated with the adversarial divisiveness characteristic, that we need people who can orchestrate and resolve differences and develop consensus in a highly professional, intellectual way, and that man is Don Hodel.

Barbara Hodel, his wife, is an additional dimension of Don Hodel, which to know him and to like him is to love Barbara. And that indicates again the fulfillment of a man who has struggled in difficult situations, but has had a faith, has had a partner, has had an intellect to move through those situations with, as I say, high professionalism and with wisdom.

And so, Mr. Chairman, it is a pleasure to again appear as an introducer of a very distinguished Oregonian and a man who I think will be a great Secretary of the Interior. And as he well knows, we won't agree on everything. One thing I do know is that when we have a disagreement, we will sit down as men of good faith and good will, and we will resolve those differences.

I would like to take the time to list you his many achievements and recognitions. I am particularly proud of his gold medal and other recognitions that he's been given in the Department of the Interior, particularly for his work in the field of conservation, since that is very dear to my heart. I would ask that his full biographical sketch listing all of these recognitions that have come from various and sundry groups, including the Public Power Council of the Northwest and other energy agencies and energy interest groups be included in the record.[1]

It's a privilege to be here with my colleague Senator Packwood in this joint endeavor.

The **Chairman**. Thank you, Senator Hatfield.

We welcome once again before the committee our friend and colleague Bob Packwood.

STATEMENT OF HON. BOB PACKWOOD, A U.S. SENATOR FROM THE STATE OF OREGON

Senator **Packwood**. Thank you, Mr. Chairman.

If there is a thing in Don Hodel's record that this committee does not know now, it is not the fault of Don Hodel. His position on land and water and trees and oceans and coal and all of the other facets of the Department of the Interior or the Department of Energy should by now be well known to the members of this committee.

So what Mark and I can add is not knowledge on the subjects that he knows so much better than we do, but our personal knowledge. Don and I go back to high school together. We were contemporaries. We were on the debate team together and share a fond memory of an extraordinarily great teacher who is still alive. We for the last quarter of a century have shared common purpose in both civic and political endeavors.

---

[1] See appendix I.

I will add just one thing to what I said when I with Senator Hatfield spoke on Don Hodel's behalf when he was to be nominated last time for Secretary of Energy. Senator Hatfield made reference to Don Hodel serving as the Deputy Director of the Bonneville Power Administration, a position which he took early in the Nixon administration, and the incumbent was a man named Russ Richmond and under the prevailing standards of the time, because that had been a Democratic appointment, he could have been removed and it's clear that Don very early would have been made the Administrator.

But Don came to me and indicated that he thought it would be a mistake to remove Russ Richmond. Don said, I have a lot yet left to learn about the Bonneville Power Administration and Russ Richmond is an extraordinary Administrator and it would be a mistake for this country and for the Bonneville Power Administration to remove him prematurely.

And for 3 years Don served as his deputy and Russ Richmond remained on when the political norms would have removed him. And I thought it was a sign of an extraordinarily big and unambitious man that he was willing to wait and say, there is much to learn and we have a good public servant in the position as it is, and for the good of the country let's leave everybody where they are.

His record from that time on, again, is well known, as head of BPA and the miscellaneous Cabinet and sub-Cabinet positions that he has held. He is not yet approaching Elliott Richardson's record, but who knows what may happen in the future.

I too echo what Senator Hatfield said about Barbara Hodel. Georgie and I count them as among our closest friends in this country, not just in this city.

I think once more we are lucky to have the opportunity to pass upon Don Hodel's qualifications. What I wonder each time is how long and how lucky we are to be able to keep a man of this competence in Government when the opportunities that beckon to him are so diverse and so, at least on the surface, rewarding.

I'm delighted to second his nomination.

The CHAIRMAN. Thank you very much.

Mr. Hodel, as you know, the rules of this committee which apply to all nominees who come before the committee for confirmation require that you be sworn concerning the testimony that you are about to give. Would you please rise and raise your right hand.

[Whereupon, Donald Paul Hodel was duly sworn by the chairman.]

The CHAIRMAN. Please be seated.

And you know from your prior experience before this committee in similar situations that we have several questions which we ask of each nominee who appears before us for confirmation. I would like to ask those questions of you now.

Will you be available to appear before this committee and other congressional committees to represent departmental positions and respond to issues of concern to the Congress?

Secretary HODEL. I will.

The CHAIRMAN. Your informational statement has been submitted to the committee. It's required that this statement be made public unless the committee decides that special circumstances justify an exception. Do you have any objection to the publication of your informational statement?

Secretary HODEL. None.

The CHAIRMAN. Are you aware of any personal holdings, investments or interests which could constitute a conflict of interest or create the appearance of such a conflict should you be confirmed and assume the office to which you've been nominated by the President?

Secretary HODEL. I am not.

The CHAIRMAN. Are you involved in or do you have any assets held in blind trusts?

Secretary HODEL. No.

The CHAIRMAN. Mr. Hodel, we have your prepared statement, which will appear in the record in full. You may proceed in whatever manner you would prefer at this point.

There have been requests for opening statements and we have two members who have indicated that they have very tight time constraints. If those who have opening statements could withhold at this time I'll give extra time after the statements have been made in your questioning, if that would be satisfactory. I appreciate your cooperation.

Mr. Hodel, would you please proceed.

STATEMENT OF HON. DONALD PAUL HODEL, NOMINEE TO BE SECRETARY OF THE INTERIOR

Secretary HODEL. Mr. Chairman, in the interest of time I would like to summarize very briefly my opening statement, simply to emphasize that in that statement I try to make the point that it's my desire, if I'm confirmed as Secretary of the Interior, to try to work toward a consensus, try to work in a cooperative fashion with the various interests that are affected by this Department, which has stewardship responsibilities over so many of the national treasures of this country.

In my opening statement I have listed—but I will not read—the goals that the President gave to me when I met with him. I think these are the same goals that my predecessors have tried to work toward.

In the section on parks, wilderness, and wildlife in my opening statement, Mr. Chairman, I attempt to emphasize my commitment to the conservation and preservation of those resources of America. There is one particular sentence which I would like to read if I could, which is that "if confirmed as Secretary of the Interior I will not consider, I will not support, I will not permit, development activity such as mining, drilling, or timber harvesting in the national parks." I make the same statement with regard to wilderness areas.

Under the multiple-use lands and water section of my opening statement, I refer to those lands which do not possess the special qualities which have permitted them to become national parks, or wilderness, or refugees, or recreation areas, or other special-quality lands, special-purpose lands. I point out that we have major mineral and energy resources on those multiple-purpose lands which have the opportunity to help this Nation maintain economic viability, national security, and energy independence if we approach them with the right spirit of stewardship and can achieve a consensus on the part of the most affected and the most interested parties in this country as to what the proper approach should be to those resources.

Finally, I discuss the special responsibilities of the Secretary of the Interior to American Indians, Native Americans, and the people of the U.S. territories, and I pledge to you that I will fulfill to the best of my ability that special responsibility.

Once again, Mr. Chairman, it is a privilege for me to be before you today. I hope that I will have the opportunity to work with you as Secretary of the Interior and seek to bring about some kind of consensus and agreement on some of the larger issues which affect this very important Department.

[The prepared statement of Secretary Hodel follows:]

STATEMENT OF
DONALD PAUL HODEL

Mr. Chairman, members of the Committee, I am honored to appear before you as President Reagan's nominee as Secretary of the Interior. We have worked together closely during the last four years of my public service, and I have appreciated greatly the opportunity to develop what I believe are effective -- and, for me, most enjoyable -- relationships with many members of this Committee.

I hope it is apparent from those working relationships that I have a strong desire to help resolve some of the critical issues confronting the Nation -- and thus confronting both the Administration and the Congress.

My overall goal during my tenure as Secretary of Energy has been to help build a national consensus on energy issues in the United States. I laid out that objective for you in my December 1982 confirmation statement, and I have spent the past 25 months working toward that goal.

Now, at the beginning of President Reagan's second term, I am looking forward to the opportunity to focus my attention on the important issues and responsibilities charged to the Secretary of the Interior. I have the good fortune of having some familiarity with the Department of the Interior. Having spent 21 months as Under Secretary, I recognize many of the current issue categories. However, I will have to learn -- and in some cases relearn -- specifics. In that process, I look forward to working with the knowledgeable, dedicated professionals at the Department.

I believe the Nation is best served by consultation, consensus and accord on Department of the Interior issues. The Nation is not well served by impasse on those issues; the Nation is not well served by confrontation. Therefore, if confirmed, I intend to carry with me to the Department of the Interior a goal to build a national consensus on the broad policy matters within the jurisdiction of the Department. Certainly I recognize there will be conflicts and controversies surrounding individual actions and peripheral issues -- that is the nature of the

Interior Department. But, at the same time, I want to work closely with you in establishing broad national policies that are right for America and for the American people.

When the President nominated me to be the 45th Secretary of the Interior, he asked me to continue working toward his goals of:

- preserving the Nation's national park, wilderness and wildlife resources;
- enhancing America's ability to meet our energy and mineral needs with domestic resources;
- increasing the supply of quality water resources;
- improving the federal government's relationship with state and local governments; and,
- developing the economic and social resources of American Indians, Native Americans, and the people of the U.S. Territories.

If confirmed, I am committed to working closely with you to build a national consensus on how best to achieve these goals.

PARKS, WILDERNESS, AND WILDLIFE

As a westerner born and raised in Portland, Oregon, among the major influences of my boyhood was a love of the outdoors. I truly believe that America has been blessed with land, water and wildlife treasures. We are fortunate that our predecessors had the foresight to establish great national park, wilderness, and wildlife refuge systems to protect the best of those treasures. We now have an obligation to continue the national commitment to conserving and preserving those treasures.

If confirmed as Secretary of the Interior, I will not consider, I will not support, and I will not permit development activities such as mining, drilling or timber harvesting in the national parks.

Our national parks have benefitted significantly from President Reagan's Park Restoration and Improvement Program which, in four years, has channeled over $1 billion to protect the natural resource base and to restore the physical facilities of the parks. I recognize, also, that there are additional lands that should be acquired for national park purposes, particularly within the boundaries of already-designated parks. At the same time, we all have a responsibility to the Nation to recognize and to do something about the budget deficit. All federal programs, in all federal agencies, must help share that national burden. Therefore, it is imperative for us to seek creative alternatives to purchase, such as exchanges and easements, to acquire needed lands.

America's wilderness system also must be protected. It is my goal to expedite the study of potential wilderness areas and to designate and protect those areas possessing wilderness characteristics. I also am committed to returning those areas not qualified for wilderness designation to other appropriate classifications. Let me again emphasize that, if confirmed as Secretary of the Interior, I will not consider, I will not support, and I will not permit development activities such as mining, drilling or timber harvesting on the Nation's Wilderness lands.

I also pledge to continue protection of our Wildlife Refuge System and conservation of our wildlife resources, with particular emphasis on the recovery of endangered species. I support reauthorization of the Endangered Species Act and will work with the Congress toward that goal.

There are a host of other treasures that deserve appropriate protection, including but not limited to wetlands, our critical coastal barriers, recreation and scenic trails, and wild and scenic rivers. My statement today would be far too long if I were to address each of these resources individually. But I hope my commitment to fulfilling the Secretary of the Interior's stewardship responsibilities for these resources will be sufficient to illustrate my policy thrusts.

Many of these national treasures provide our citizens with outstanding recreational opportunities. In our increasingly industrialized and urbanized society, I believe it is imperative for Americans to be able to enjoy the re-creative experiences offered by our parks, wilderness, and wildlife refuges. This means we must dedicate ourselves to finding new ways for people to enjoy these areas without damaging the resources or disturbing the experiences of others.

MULTIPLE USE LANDS AND WATER

I also recognize that the great national treasures with which our Nation is blessed include multiple use lands and water.

It is imperative that we as a Nation revitalize the magnificent water development programs launched early in our history. The federal-state partnership in water development has succeeded even beyond the dreams of those who developed the concept decades ago. This partnership has helped create abundant year-round water, electric and food supplies; reduced flooding; and provided low-cost inland, coastal and oceanic waterborne transportation, as well as vast new opportunities for water-related recreation.

I am committed to working with the Congress, the states, local entities, and the private sector to move forward in developing much needed, environmentally sound, and economically prudent water resource projects. We will continue to seek new partnership arrangements with states and other non-federal interests in the financing and cost sharing of new projects, taking into account prior commitments.

Within these guidelines articulated by the President, we should be able to improve our program to meet America's current and impending water needs while recognizing federal budgetary realities.

Among our other national treasures are vast acreages of federally held, multiple use lands which do not possess the special qualities of parks, wilderness, refuges, or other specially protected lands. On or under these multiple-use onshore lands and the 1-billion-acre Outer Continental Shelf are vast energy and mineral resources. The highly regarded United States Geological Survey estimates that about 60 percent of the crude oil yet to be discovered in America is likely to come from these public lands, 60% of that from offshore drilling. Similarly, 50% of the natural gas, 35% of the coal, 80% of the oil shale, nearly all of the tar sands, and substantial portions of uranium and geothermal energy are on or under the public lands. These lands also contain untapped deposits of base and precious metals, such as lead, zinc, copper and silver, which are vital to an industrial economy. In addition, the lands may be found to contain economic deposits of essential elements we now import, including chromium, platinum, and cobalt.

Therefore, we have in this country a tremendous and diverse energy and mineral supply potential that could increase our energy independence and improve our national security. It is part of the Interior Secretary's stewardship responsibilities to seek to provide access to those domestic assets with full environmental safeguards.

I believe it makes little sense to have been spending billions of dollars each year on purchases of imported oil for the Strategic Petroleum Reserve, and on defense which partly is to protect our oil supply in the Middle East, while we foreclose access to what should be recoverable domestic energy resources.

During my tenure as Secretary of Energy, one of my primary missions has been to formulate policies and programs aimed at achieving our shared goal of energy independence. Recognizing the additional responsibilities of a Secretary of the Interior for stewardship of the Nation's resources, it is my intention to pursue the objective of energy independence insofar as the policies and programs of the Department of the Interior can contribute to its achievement.

Continued exploration and development of the energy resources of the Outer Continental Shelf can contribute to that objective. Therefore, if confirmed, I will try to ensure that the Interior Department's OCS pre-lease negotiation process is adequate to ensure that all resource values and Department of Defense needs properly are considered and protected in specific areas and that we continue negotiations with the appropriate Congressional, state, and local officials so we will be in a position to agree that blanket OCS moratoria no longer are necessary.

For our Nation's continued economic progress and national security, we must begin building a national consensus on the need to tap our domestic energy resources while continuing to conserve those resources worthy of special protection.

The need for such a consensus is apparent in implementing an effective federal coal leasing program, a subject of controversy for over a decade and a half. Coal accounts for more than 85 percent of the recoverable fossil fuel reserves in the United States, and about one-third of those reserves occurs under federally-held land. If coal is to make a proper contribution to the balanced and mixed energy resource base of the Nation, the Secretary of the Interior must help build a national consensus on how to achieve an environmentally sound federal coal leasing program.

I do not believe this Nation must choose between adequate energy and an improving environment. We can have both.

The same basic philosophy applies to the mineral wealth under federally-held multiple use lands. The President's 1982 Strategic and Critical Minerals Policy recognized the critical role of minerals to our economy, national defense, and standard of living and the need to keep the federally-held, multiple use lands open to appropriate mineral exploration and development. With full environmental safeguards, we can tap that mineral wealth and improve our national security, without jeopardizing the great national treasures that must be protected and preserved.

Finally, I recognize that the Secretary of the Interior has a further obligation to collect and to account properly for funds due the federal government from resource development activities. If confirmed, I will seek to fulfill aggressively those obligations as well as the responsibilities to enforce fully the laws requiring reclamation of mined lands.

AMERICAN INDIANS, NATIVE AMERICANS, AND THE U.S. TERRITORIES

The Secretary of the Interior also has special responsibilities to American Indians, Native Americans, and the people of the Territories. If confirmed, I pledge to fulfill those responsibilities.

I reaffirm President Reagan's and my commitments to the government-to-government relationship of Indian Tribes with the United States and to the Tribes' economic development. It remains our goal to turn the ideals of self-determination for Indian Tribes into reality.

Finally, we will continue toward the President's goal of economic self-sufficiency and governmental self-determination for the people of the U.S. Territories. I recognize that economic diversification and growth are critical to the Territories' self-sufficiency goals. I support the Compact of Free Association which recognizes two sovereign states emerging from the Trust Territory of the Pacific Islands. I look forward to working closely with the Congress in reaching that goal.

CONCLUSION

In speaking directly today to my basic philosophies and to a limited number of major issues which now confront the Department of the Interior, I do not mean to suggest there are not other highly significant matters which deserve the attention of the Secretary of the Interior. Rather, my intention has been to focus on the principles which will guide me, if confirmed as Secretary, and to provide you with examples as to how those principles would be translated into approaches for the solution of specific problems.

I intend to remain open and accessible to all views as we seek those solutions. I trust my actions as Secretary of Energy are a manifestation of my commitment to that approach.

Most importantly, I want to emphasize that our success will depend upon a concerted effort to forge the national consensus about which I spoke at the beginning of my remarks.

To the extent we are successful in building that consensus, this great Nation -- now and in the future -- will benefit.

The **CHAIRMAN**. Thank you, Mr. Secretary.

Senator Hatfield.

Senator **HATFIELD**. As you know, the administration has made a recent proposal to begin a study process relating to lands administered by the BLM and lands administered by the Forest Service. I might just indicate to you that I do not support that proposal at this time, until I see what will ultimately have to be the legislative implementation of it. But I have for many years supported the idea of a Department of Natural Resources which could bring together those programs such as forestry into one agency, rather than having them divided between a number of agencies.

Do you have any comments to make on the study proposal being offered by the administration to the Director of the Forest Service and the Director of the BLM at this time, bearing in mind the diversity of those lands which are to be exchanged, such as the timber-oriented lands of Oregon versus the rangelands of other parts of the West under BLM?

Secretary **HODEL**. Mr. Chairman, I am aware of that proposal in general terms. I feel it is the kind of proposal that may be long overdue, and relates as much to your comments about a Department of Natural Resources as it does to a merger of the BLM and Forest Service.

But I am convinced and believe that the purpose of the proposal is to bring about precisely the kind of discussion that you suggest is going to be necessary before there could be consensus on that kind of proposal. In principle, it sounds like the kind of thing we ought to be exploring. It does not make sense to have duplicate facilities in precisely the same areas where the only difference is a boundary line.

But I recognize that there must be satisfaction on the part of the constituents that a change of manager does not mean a change of management where that is not called for.

Senator **HATFIELD**. You do not exclude the possibility that in any kind of major reorganization—I say major—that it's possible to evolve a Department of Natural Resources?

Secretary **HODEL**. It is possible to conceive of one in principle, and I have to say it that way. For 2¼ years I have traveled this country speaking about the Department of Energy, and invariably I get the question, what about merger of that Department. I'm acutely aware of the difficulty of major reorganizations.

So I have to say that in principle we could sit down and structure, on paper, something that would make very good sense and perhaps better sense than what we do today. The difficulty of moving that through the legislative process, however, tends to overwhelm me.

Senator **HATFIELD**. Would you feel that perhaps a merger of the BLM and the Forest Service and then putting that within the Department of the Interior would be perhaps a major first step?

Secretary **HODEL**. Without suggesting that I'm advocating that, Senator, that would be a major first step. [Laughter.]

But I need to emphasize that if we are to be able to move with a chance of success on any such proposal, whether it's that or some of the others that will from time to time be discussed, it is imperative that we deal with the issues that are concerning the various and multiple constituent groups.

Senator HATFIELD. Have you read recently or reread Secretary Andrus', one of your predecessors, ideas along the possibility of merging forest management into one agency?

Secretary HODEL. No, I have not.

Senator HATFIELD. I would like to suggest you do that. I think he propounded a number of very excellent concepts there, and others have likewise discussed them. Well, perhaps then at least we know that you have an open mind for further discussion on this subject.

Secretary HODEL. Senator, I think you would find that on matters of reorganization, merger or the like, you would find that I have a very willing desire to try to find ways to make that kind of thing happen if it's in the national interest. The problem we have will be persuading those who must participate that it is in the national interest.

Senator HATFIELD. I'll pass for the moment. Thank you.

The CHAIRMAN. Thank you.

Senator Ford.

Senator FORD. Mr. Chairman, I'll reserve my time and yield to Senator Metzenbaum.

The CHAIRMAN. Senator Metzenbaum.

STATEMENT OF HON. HOWARD M. METZENBAUM, A U.S. SENATOR FROM THE STATE OF OHIO

Senator METZENBAUM. Mr. Chairman, if I may I'd like to just make a few comments in advance.

As we consider your nomination, Mr. Hodel, you and I know that we've had a good personal relationship and I don't take my responsibility in passing on this confirmation lightly. I think everybody agrees you're an effective manager, you have a solid policy background.

But the responsibilities of this position demand something more than that: The Secretary of the Interior is entrusted with the stewardship of resources of limitless value and beauty. The individual holding that position must constantly balance the pressures for development of those resources with the national mandate to preserve those unique elements of our national heritage.

And so the job demands a rare blend of sensitivity and toughness. It also involves some conflicts or contrasts of different interests, of those who come from the West and those of us who don't come from the West and don't have some of the same interests. It's a question of balancing fairness, equity, to all of the people of this country and what's good for the Nation as a whole.

Now, we all remember too well the cynical and destructive reign of Jim Watt, and Congress does not want, I don't believe the public would allow, such a travesty to be repeated. So as we evaluate you I think we have to take all of this background and your relationship with Mr. Watt into consideration as well.

I'm frankly concerned somewhat about some aspects of your performance at DOE. You've done nothing, and this disturbs me much, to correct the unsound business practices of the power marketing administration, practices that have been characterized by numerous agencies, by David Stockman, and by commissions that have investigated the matter as a drain on the Treasury.

You were an architect and supporter of legislation to perpetuate the Hoover Dam pricing agreement for another 30 years, which some estimated will cost the United States as much as $6 billion. I'm frank to say to you that I was disappointed in your position in connection with that matter and, frankly, I think it was an abominable abrogation of your public responsibility.

I think we deserve more. I don't think that was the right solution. I know it wasn't the right solution. And not saying that any proposal that I might have had was the right solution, I do think that just the renewal as we did was totally wrong. It was a matter of a political power play and I had hoped that you in your position would have provided some leadership in that area.

You were a member of Secretary Watt's team which developed the leasing policy which auctioned off valuable oil, coal, and mineral deposits at bargain-basement prices. We need an Interior Secretary who will manage our resources in a fiscally sound and environmentally responsible manner. Will our parks, and our wetlands, and our refuges, and our rangelands degrade from overuse, underfunding, and bureaucratic neglect, or will you responsibly and effectively fulfill your stewardship responsibilities?

I said to you before, I like you as an individual. You're a pleasant and affable human being. You will be confirmed. But if you follow in Jim Watt's footsteps in the same paths you have already traversed, frankly, it'll be a real disappointment and I don't think you will have achieved that record as a Secretary of the Interior of which you're capable.

I look forward to hearing from you, and clarifying your commitment, and your willingness to be an advocate for the protection and enhancement of the resources that are entrusted to your care.

I do have some questions, and one particularly concerns me. Last September 13, this committee held an oversight hearing on BPA. At that time I asked BPA to provide this committee with a technically workable method for putting BPA on a fixed repayment schedule. I asked for your response within 90 days. That was September 13. Mr. Johnson said he could not respond without consulting with you.

In November, I personally wrote to you asking for your views on the Grace Commission recommendations with respect to power marketing and seeking your help in drafting legislation to implement some of them, particularly an annual amortization schedule.

It is now over 130 days since the hearing and more than 60 days since I wrote to you and no one has responded. I understand you may not support the idea of an annual amortization schedule, although Mr. Stockman does. But I believe this committee is entitled to receive your technical assistance whether you agree with the ultimate result or not.

And I don't know any alternative I have except to indicate to you that I want it now, I want it promptly, and I'm frank to say I want it before the Senate takes up the confirmation of Mr. Hodel. Enough time has expired and I really don't know why I haven't received it.

Would you care to respond?

Secretary **Hodel**. I have been handed here a set of responses to your questions which I understand have been promptly provided after the recent reminder.

Senator **Metzenbaum**. They are in my office now, are they?

Secretary **Hodel**. I believe they should be in your office now. Senator, I think I have to make the point that that is still too long a period of time in response to the request you made.

I think you also will find that in the President's budget some of your concerns and more are addressed with regard to the power marketing agencies. As Secretary of Energy, I would have been in the position of supporting that budget before this committee, even though I might originally, in the process, have had reservations about some of the proposals.

I think you will find that in that budget the administration has proposed the fixed amortization repayment which you have desired and have sought to move forward on that very point.

Senator **Metzenbaum**. Mr. Hodel, let me ask you one other question. The paper today reports that a report had been prepared for you which had to do with the WPPSS system. An effort was made to make that report public after "60 Minutes" had carried the story on it and was resisted.

Judge Richey ruled in your favor that it didn't have to be made public. So I'm not here today going to ask you to make it public. I am going to ask you, however, because I think this committee is entitled to know, what this report indicated, because apparently it got into the whole heart of the issue.

I am wondering whether you would make that report available to any member of this committee, with an assurance, as we do in certain other committees, that we will not violate the confidential nature of it, but use it merely for our own edification.

Secretary **Hodel**. Senator, I was not aware of the report, or the withholding of the report, or the litigation over it until 7 o'clock last night when somebody read to me an AP release or a UPI release. I saw the same article in the paper this morning.

I don't know what report is referred to. I don't believe it's been the Department of Energy lawyers who have resisted turning it over. I know of nothing with regard to the process or the questions relating to my involvement with the Washington Public Power Supply System that I would seek to withhold from this committee or anyone else.

I have answered numerous inquiries, I have done numerous press, television, and radio interviews with regard to those questions. As you can imagine, in the Northwest I hear a great deal about it. I have no knowledge of what the report is that would now be characterized as it was in that news article. I don't know even that such a report was prepared for me.

Senator **Metzenbaum**. It says: "It contains the frank and personal observations of a top aide to Hodel when he was head of the BPA, including details about Government audits, contractor management reviews, and memos and letters related to BPA's involvement with WPPSS." And apparently it was prepared for you.

My question is, assuming there is such a report——

Secretary **Hodel**. Assuming there is such a report, I have no problem at all suggesting that I would be perfectly willing to make it available to this committee on such terms as are appropriate in light of the court's order. I have no background in the court order as well.

Senator **Metzenbaum**. I thank you.

Secretary **Hodel**. Yes.

Senator **Metzenbaum**. During your tenure at DOE, you talked often about the virtues of the free market setting the price of resources. Is that a fair characterization of your views?

Secretary **Hodel**. I think, Senator, a fairer characterization is that I am an advocate of the free market process to the extent it is possible. I think that it has benefited this country well. It has worked well. We do not have a totally free market in most any of the internationally affected commodities, but we have advocated permitting the market to work to the extent it can.

Senator **Metzenbaum**. When the Bureau of Reclamation builds a water project, farmers theoretically pay for the portion that provides water for irrigation. But as you know, their repayment is without interest. As a result, the price of water is artificially held below market.

How would you characterize or how would you react with respect to the matter of interest-free irrigation repayment, and how is that consistent with your belief in a free market?

Secretary **Hodel**. Senator, I think that there are some broad national policy issues which have been determined by administrations and the Congress over a good many years. You and I have dealt, for instance, on the pricing of natural gas. There are those who do not think that should be subjected to a free market. There are those of us who think it should be.

We have differences with regard to the reclamation policy. Clearly, this Nation saw fit to attempt to open up the West in its history with such things as homestead legislation, which today is no longer in place because we've seen a different era.

This administration has supported the concept that in water projects there ought to be cost-sharing. We are suggesting a movement, a change to some extent, in the policy for the very reasons I think that you're concerned about, although perhaps not as much as you would like. I think this administration has supported a cost-sharing approach because we have felt that it has to move more toward a market-based system.

Senator **Metzenbaum**. Do you think the market interest rate should apply when water users repay the United States for construction, operation, and maintenance of water projects?

Secretary **Hodel**. Senator, I think that will continue to be, and should continue to be, a matter that is dealt with on a project-by-project basis. I think that to make a blanket statement and a blanket policy at this point would be very difficult to do and very hard to justify.

Senator **Metzenbaum**. How will you make that determination? Who has more political clout? Who makes a better argument that the people in Colorado are poorer than the people in Wyoming or Arizona? How do you make that? How do you handle that on an individual basis?

It sounds to me like you've got enough political moxie that that helps you tremendously, and I'm a realist enough to know that.

But it seems to me the policies ought to be across the board, and when you start to deal with things on an individual basis you do start to play some politics with water policy and repayments.

Secretary **Hodel**. Senator, in your opening statements, which I appreciate, you made the comment about the requirement of sensitivity and judgment in this kind of a job. I'm sure that is absolutely right. It applies to a whole host of activities at the Department of the Interior, many of which we do because of a perceived social benefit and for which we charge no interest, such as the acquisition of land for refuges and wildlife preserves and recovery of endangered species.

Those things we've made political judgments on, social judgments on, and that's appropriate for a society. I believe that same kind of judgment can be made by the society with regard to the importance of water projects in appropriate places where you believe it's got long-term benefits to the Nation.

Senator **Metzenbaum**. The central Arizona project is a good case in point. Is it really appropriate—this is not an impoverished area—to, in sound policy, to permit local beneficiaries to repay the Treasury at the interest rate of 3.3 percent when the United States will borrow the money to build the project at somewhere between 8 and 10 percent rates? Is that right?

Secretary **Hodel**. Senator, if the facts are known, as they are, and if it is the judgment of the U.S. Senate and the Congress and the President of the United States signing legislation, that the appropriate interest rate is 3.3 percent, then yes, that will be the interest rate.

Senator **Metzenbaum**. What would be your position? The Senate may follow your leadership.

Secretary **Hodel**. I think you will find, Senator, that this administration and I as a representative of it will favor the user-pays concept to the extent we can. But that does not mean that all of these projects that come out of the Department of the Interior, whether they're departmental projects or protection projects, can bear the whole cost if it is deemed to have larger and more beneficial social purposes than the straight cost repayment identified with the project. That is the judgment call.

Senator **Metzenbaum**. I have additional questions, but my time is expired.

The **Chairman**. Surely.

Senator Murkowski.

STATEMENT OF HON. FRANK H. MURKOWSKI, A U.S. SENATOR FROM THE STATE OF ALASKA

Senator **Murkowski**. Thank you, Mr. Chairman.

I'm going to take issue with my colleague from Ohio. I don't think his opinion necessarily represents the majority of this committee, nor in many respects the majority of the American people. Certainly we are interested in this Nation in achieving energy independence as one particular item in the realities of, can we have a balance, develop those resources with the environment and the ecology protected, as obviously is an obligation of the Department of the the Interior. The point is, unless we initiate a beginning and an inventory, we will never have the opportunity to know and intelligently make these decisions.

We are obviously here to hear from Mr. Hodel. And incidentally, when you were being introduced by my good friends Senator Hatfield and Senator Packwood, I also felt a part of that introduction because, as you know, you represent the ownership of about 85 percent of our States. So while you may have been born in Oregon, for all practical purposes you own Alaska. [Laughter.]

Prior to 1981 we had problems on America's last frontier. We had emerged from a long decade and battle over the future of Alaska's land. The Federal Government had refused to convey the lands to the State of Alaska that it had contracted with some 22 years before, and in the minds of many Alaskans the Federal Government was a hard-hearted absentee landowner and Washington really didn't seem to be responsive nor understand many of our problems.

I don't think it's necessary to underestimate the fact that at that time, in 1979 and 1980, there was what we referred to in Alaska as a genuine tundra rebellion that was moving throughout our State. It was based on the injustices of the Federal Government in not meeting its contractual claims to the State of Alaska.

However, this changed when President Reagan came into the White House, and almost overnight residents of Alaska began hearing about the Department of the Interior's good neighbor policy, and that good neighbor policy was formalized, it was documented, and it was effected. Finally, the Federal Government began to convey lands that had been promised some 22 years previously to our State.

There was a genuine concern expressed over the future of our lands, but it suddenly became a consideration in the duties of the Department of the Interior. We really began to feel that the absentee ownership had moved finally closer to our State.

Mr. Hodel, if you are a part of that change of attitude at the Department of the Interior—and I had an opportunity to speak with you in my office earlier this week and I am confident that the improved relationship that has been initiated in the Department will continue under your leadership—certainly you are going to have one of the most difficult jobs in the Cabinet. I think that was expressed by the points and the attitude prevailing by my colleague from Ohio.

But you must balance the interests of the backpackers, the stripminers, you must manage wilderness as well as mineral leases, and you must strive for energy independence keeping the ecology, the environment, the oceans intact. With respect to OCS leasing in my State, you must consider the interests of commercial fishermen, of subsistence people, of people who derive their living from the sea.

You also recognize well that perhaps 60 percent or more of the Nation's undiscovered oil and gas reserves may lie off the Alaska coast. The question is, are you going to allow exploration, and if there are commercial finds are you going to allow development?

I don't envy you, because the diversity of thinking among the entire spectrum of interest groups is the assurance that you will never be a stranger to controversy. I think that's going to be evident at this hearing as well.

I do want you to know I have great respect for you, your intellect, your fairness, your willingness to take on this tremendous job. I have read your statement and I look forward to supporting your nomination.

I have three very brief questions that I would like to ask, and the first is: As you know, we have the question of changes in the Alaskan Native Land Claims Settlement Act with regard to shareholders' rights of the individual Alaskan Native people. My question is: Are you prepared to work with our native people in attempting to address the problems within the Alaskan Native Land Claims Settlement Act?

Secretary HODEL. Yes; I am.

Senator MURKOWSKI. From your previous tenure at the Department of Interior, you're aware of the State sensitivity about the importance of maintaining land conveyance activities at an expeditious pace. My question to you, sir, is: Will the Department's emphasis on land conveyance in Alaska continue under your leadership?

Secretary HODEL. I would hope so, yes.

Senator MURKOWSKI. My last question is: What is your attitude regarding the export of Alaskan oil in general, and will you encourage the administration to examine and/or raise the question in Congress?

Secretary HODEL. Senator, the export of Alaskan oil in a paper calculation appears to be a good, sound economic decision to make. It would permit the displacement of that oil which is now shipped great distances around the United States to refineries on the Gulf and the East Coast. That oil could be shippped a much shorter distance to refineries in Japan, displacing oil which is now being shipped to Japan over great distances. It could then travel shorter distances to U.S. domestic refineries on the Gulf and the East Coast.

However, I am acutely aware of the fact that this is not now the law of the United States, but we have as an administration generally supported trying to move, as I indicated in an earlier answer, toward the market. It would appear the market response would be to permit the economics to dictate what should happen.

That has not been the judgment of the Senate. We would continue to favor that if it can be accomplished.

The further issue is whether the market that we perceive exists in Japan would in fact materialize if we had the opportunity to approach it on a free market basis.

Senator MURKOWSKI. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Murkowski.

Senator Johnston.

STATEMENT OF HON. J. BENNETT JOHNSTON, A U.S. SENATOR FROM THE STATE OF LOUISIANA

Senator JOHNSTON. Thank you, Mr. Chairman.

Secretary Hodel, the Secretary of the Interior is not the only member of the administration concerned with environmental matters, but he's the chief one. He's the administrator, you might say, of environmental matters, the supreme court, and the ambassador to the environmental community.

It is a position of extreme sensitivity, calling for great knowledge, great subtlety, great forebearance, great patience—all of the human qualities that we can call for in a member of an administration are called for in the Secretary of the Interior.

I happen to believe, Mr. Secretary, that you will come to that position better prepared than almost any Cabinet nominee this year. You had broad experience in matters in the Interior. You know that Department from top to bottom. You know the players. You know the sensitivities. You know the importance of meeting, for example, with the environmental groups, as Bill Clark did. I think Bill Clark did a tremendous job in improving the image of the Secretary of the Interior, and I believe you will do that.

I believe you will be forthcoming with members of this committee, and I'm not going to lecture you about the importance of that. You know the importance of that, and I don't believe your failure to answer Senator Metzenbaum's letters or questions were intentional. Senator Metzenbaum and I both will be on you if you're tardy in those matters, but I don't believe you will, because I have seen you as Secretary of Energy and I don't think you intentionally do that.

So I am going to vote enthusiastically for your confirmation, because I really believe you will manage these great resources with the knowledge and the sensitivity that is required. Now, there are a few special areas I would like to question you on.

First of all, I'm sure you're familiar with the problem of what we call 8(g). That is, that huge fund held in escrow for the coastal States in areas that have pools of oil lying both under State lands and offshore Federal lands. In the case of Louisiana, there are $2.5 billion in escrow.

My State, Mr. Secretary, is in very dire shape at the present time. Oil and gas revenues are way down, unemployment is way up. The legislature raised $900 million in new taxes in the last session and is still $100 or $200 million in deficit. Things are in very bad shape in my State. We need badly to have a fair settlement of the 8(g) controversy.

I'll be coming to you in the next few weeks to sit down and try to settle that matter. We know we can't expect the moon, but we hope at least for a fair piece of cheese. [Laughter.]

I hope that I can count on you to be very fair and sensitive in settling that matter. Are you familiar with 8(g) and are you willing to help negotiate a fair settlement?

Secretary Hodel. Senator, I am familiar with 8(g). I participated in the discussions within the administration prior to Secretary Clark's proposal to the States of 16⅔ percent. This was a very difficult issue within the administration. It is not just the leadership of Louisiana that is concerned about fairness and how that word is defined.

I would most certainly expect to work with you and many others who are concerned about the whole 8(g) issue. I'm willing to do that and take my chances, although it is with some trepidation, because I'm familiar with what a potent and powerful negotiator you are.

Senator Johnston. All you have to do is say yes. [Laughter.]

Mr. Secretary, you will within the administration, I suppose, be the lead negotiator among OMB, Justice, and Interior?

Secretary HODEL. I would expect so.

Senator JOHNSTON. I know you're tough, and OMB is even more unreasonable. [Laughter.]

So I hope you can get them to be sensitive.

Now, next, Mr. Secretary, we have struggled to put together an Outer Continental Shelf leasing program these last few years. Each year we hold hearings and we have policy declarations coming out of this committee, and then at the last moment someone will put in a moratorium in the appropriations process. The bill must go through, it's the last minute, and we end up going along with some moratorium that, generally speaking, has no relevance to environmental concerns, but constitutes a political decision.

Last year it was certainly a political decision, and we in the Appropriations Committee and later the full Congress adopted a policy which said that next year we hope to have an environmental policy, an OCS leasing policy that will put off-limits those areas that are environmentally sensitive; and let the rest be leased if considerations otherwise would dictate their leasing.

In effect, what we are saying is no more political moratoriums. From now on, it has got to be a moratorium based on facts, but if it is based upon facts then we want a real moratorium and not a 1 year or 2-year moratorium.

So I would just urge you to be, first, sensitive to both interests, that is to, in those areas that do have an environmental consideration, to say so. Let's be up front with it and put those areas off-limits once and for all; and the rest of it, let's determine that it's not and let leasing proceed, and not have moratoria at the last minute based on political hysteria.

Secretary HODEL. Senator, I will try to be sensitive to both those interests. It seems to me this is one of the places where a serious effort must be made to try to achieve some consensus along the lines of what you're suggesting, so that we do not have this constant argument or confrontation over the OCS Leasing Program.

If there is not certainty in that process then, as both you and I know, those who are called upon to invest literally billions of dollars in many cases in those resources are hard put to know when and how and whether they can do that. That further contributes to the financial problems of the State of Louisiana and many of the States and the United States.

If we could resolve some of these issues through consultation, I would hope to be able to come back to this committee with a program which permits you to proceed without the annual moratoria being required to be put in the budget.

Senator JOHNSTON. Fine. Thank you.

Mr. Hodel, Mr. Watt had a lot of controversy. One of his most controversial policies was that he got blamed for not proceeding with Federal land acquisitions: park lands, refuge lands, et cetera. He greatly resented that, said it wasn't his fault, and we know about that controversy.

I do recall that the administration, whoever's fault it was, proposed in the budget not to have any money for land acquisition by States and almost no Federal land acquisition. We had a tough fight in the Appropriations Committee. My amendment passed there by 13 to 12 putting in an additional $100 million for land acquisition.

That stuck in the budget and the administration thereafter. With I think Mr. Watt's concurrence, they changed policy and continued to have some land acquisition.

I don't think there's any subject that's any more sensitive. I hope that if OMB says we have to take off-limits any further land acquisition, that you will mightily resist that and win. Because, in the first place, I think in the Congress collectively there are enough votes here to say let's have a reasonable policy of land acquisition. In other words, I think you lose anyway.

And besides, we need to go forward with that policy. If we don't acquire a lot of these lands now, they will be in soybeans or otherwise lost. I have particular reference to one area. We appropriated last year some $10 million for the acquisition of the Atchafalaya. We hear rumors and hear stories that they're going to try to deprogram the money for Atchafalaya.

You know we're not going to let that happen. I suspect when it's all over with you will be strongly for it, as was Bill Clark, who helped put it together, because if we lose that that will be in soybeans, believe me, by year after next.

I just mention the Atchafalaya as one example that you can write large nationwide about the need to continue a land acquisition program and not to let the gnomes in the bowels of the bureaucracy try to frustrate Federal policy. Will you help in that area?

Secretary **Hodel**. Senator, as you know, the budget is very close to release. I don't think it's a great secret that there are very serious budget cuts proposed across the board in many, many agencies, including the Department of the Interior. I'm not aware of a reprogramming effort with regard to Atchafalaya.

It does seem to me that there are some principles that I can stand for and fight for with regard to these amounts of money. It seems to me there's a significant amount of land within areas that have been defined as national parks or other protected areas which are still held in private ownership. Some of those lands are not in jeopardy, some of them are.

If there is jeopardy, it would seem to me that it's incumbent upon the Secretary of the Interior to try to see to it that we have the funds adequate to acquire or otherwise protect those lands pending the sufficient funds for acquisition becoming available. There are alternatives that can be explored as well which have long been in the arsenal of the Department of the Interior, such as land exchanges or private acquisitions through various conservancy organizations.

I would hope to use that whole array of resources to see to it that we do not have lands which are in jeopardy not protected during this period of time.

The other side of the coin is that it is incumbent upon me to come before this committee in due course and defend the President's budget to the best of my ability. We know the difficulty that we are having seeking to cut the budget to a level which reduces the deficits. I hope that we can balance those——

Senator JOHNSTON. One B-1 bomber gives us——

Secretary HODEL. I hope I can balance those two issues, and I hope that I can be a spokesman with regard to those lands which have a problem with them and see that they are protected.

Senator JOHNSTON. Just one B-1 bomber gives us more money than we need for Federal land acquisition. I'm sure Cap Weinberger would be glad to go along with that.

Secretary HODEL. I probably should not be flip, Senator, but if the committee will transfer me a B-1 bomber, I'll see what I can do. [Laughter.]

Senator JOHNSTON. Finally, Mr. Secretary, I spoke yesterday with John Herrington in his confirmation hearing about the new Treasury tax policy, which I believe would put a padlock on domestic oil and gas drilling, certainly by independents, and I asked him to be very sensitive to that within the administration.

It really is not too much to say that it would put a padlock on domestic oil and gas drilling. Treasury even recognizes that. It says in their response that, well, after these people transfer this capital and these personnel to other more productive endeavors, it will be good for the economy, which is shorthand for saying, after they go broke they will be better used somewhere else.

I hope you will help within the administration. I know after the policy comes out you have to be a loyal soldier and defend it no matter how bereft of logic it is. But in the meantime, you can help within the administration as a real spokesman for energy. And I would guess you would be on the Cabinet coordinating group, the chairman of energy matters.

I hope you would be a strong voice for a policy that says let's keep domestic resources of oil and gas because they are vital to us.

Secretary HODEL. Senator, I have been attempting to be that kind of a voice. I would expect to continue to be that kind of a voice.

My assessment of the Treasury tax proposal is very similar to yours. We have worked very closely with the industry to obtain their analyses of the impact on oil and gas investments and the consequences to our requirements for imports of additional supplies. I do not believe that a proposal, which has the effect of increasing dramatically our dependence upon imports, is good for America. I don't believe the President in the end will support that kind of proposal.

Senator JOHNSTON. That's the right answer. Thank you very much.

Thank you very much, Mr. Chairman.

The CHAIRMAN. Senator Hecht.

Senator HECHT. Thank you, Mr. Chairman.

Secretary Hodel, I'm very concerned about the proposed land interchange between the Forest Service and the Bureau of Land Management. We have a great number of dedicated Federal employees in Nevada for whom this proposal came as a total surprise. They are concerned about the future of their jobs and what their actual mission will be over the next 6 to 12 months. These are the people who work in the trenches every day.

Can you give them today some assurance that their jobs will not be affected?

Secretary **Hodel**. I can give them assurance, Senator, that there is no intention that there would be reductions in force as a result of any of the proposals that are currently under consideration, as I understand it. It's my further understanding that after the consultations, assuming that everything went as even currently planned—and I suspect it will be changed as the course of the discussions go forward—there would not be the necessity for reductions in force. Reductions in personnel levels in agencies of that size occur routinely, naturally, through attrition, at a level which is more than adequate to meet the reduced expectations of requirements.

There would be, presumably, some opportunities for changes of assignments on the part of people. They might move from one bureau to another. They might stay in their current bureau, but take on a different assignment. I think that would have to be worked out on a case-by-case basis.

My understanding is that the whole purpose is be not to be disruptive to that process. After all, if it were it would not be a successful effort.

Senator **Hecht**. Thank you.

We have a number of water-related problems in our State. Now I'm a businessman and not an attorney, and the ranchers in northern Nevada are not attorneys either, and they get very perplexed because of the long delays in these water rights cases. They're not interested in 20 years down the line. They have to feed their cattle that day.

Can you give me some assurance that you will be very receptive to listening to their problems and trying to work them out?

Secretary **Hodel**. Yes, I will be, because I agree with you that it is the litigation process that is extremely tedious and expensive and long range. Legislative solutions to issues of that type have been very difficult to identify.

The biggest success that I understand we have had in water rights' cases has been through aggressive negotiation with the affected parties.

Senator **Hecht**. Thank you. One last comment. I want to remind all of my colleagues of the importance of mineral development in our overall national security policy. We spend hundreds of billions of dollars every year on our national defense. We are exploring the possibility of placing defensive weapons in space. Let me suggest, however, that we will never be safe so long as we are dependent on unstable foreign sources of strategic and critical minerals.

Now in Nevada we probably have more mineral exploration than any other State in the Nation going right now. Can you give us an assurance that you will continue to help us get the strategic minerals?

Secretary **Hodel**. Senator, I share your concern about strategic minerals. As I indicated in my opening statement, the multiple use lands, those that have not been set aside for special purposes, such as parks, wilderness, and refuges, are intended to be available for proper stewardship.

That seems to me to be a wise use policy, which means we need to support seeking strategically important minerals on these lands and resources.

Senator HECHT. Thank you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Hecht.

Senator Ford?

Senator FORD. Thank you, Mr. Chairman.

Secretary Hodel, I am limited in my questions to you today based on Mrs. Ford's analysis of my laryngitis as one of the best things that has happened to her since she has been married to me. [General laughter.]

When you were Under Secretary of the Department of the Interior, did you disagree—that's a good question—with any of the major policies of Secretary Watt?

Secretary HODEL. Senator, I believe that in order to respond to that kind of question, it would be important for me to know the specific policy as you understand it of Secretary Watt.

Senator FORD. I just gave you a broad brush, Mr. Secretary. You can answer yes or no.

Secretary HODEL. I believe that Secretary Watt's efforts were to fulfill the President's objectives and goals, and to the extent he was doing that, I share those goals.

Senator FORD. Well, then Secretary Watt said on several occasions that he would use the budget and appropriation process to change the policy at the Department. Did you agree with that, and do you agree with it now?

Secretary HODEL. The statement of Secretary Watt that you are referring to I believe occurred on a number of occasions with regard to an impact of a budget on policy. The budget does have that impact. I think that I have a track record in the Department of Energy of trying to see to it that the budget follows policy, rather than vice versa, rather than the budget dictating policy.

Senator FORD. You are saying you would not follow the policy of Secretary Watt?

Secretary HODEL. If that is what I am saying, then that is correct.

Senator FORD. What are you saying, Mr. Secretary?

Secretary HODEL. What I am saying, Senator, is that I have a track record at the Department of Energy.

Senator FORD. Yes, sir; I am not talking about Energy now. I am talking about Interior, and you have a track record at Interior, too.

Secretary HODEL. I would expect to operate at the Department of the Interior in accordance with that same process, which is, I believe, the budget follows policy. But there is no doubt that when the budget is determined, it affects that policy. I would expect to use the responsibilities of a Secretary to support the policies that the President wants carried out.

Senator FORD. What is your view of the payments-in-lieu-of-taxes program?

Secretary HODEL. I believe that the payments-in-lieu-of-taxes program has been funded, and it is my understanding it is an appropriate program.

Senator FORD. Are you in favor of keeping it at the same level, or reducing it?

Secretary HODEL. I don't know of any basis for reducing it, Senator, and I therefore would assume—I would have to assume at this point—that we would be favoring a continuation of the policy as it stands.

Senator FORD. Secretary Clark and I had an interesting discussion when he was up for confirmation, and that was as it related to wild horses and burros. Those are one of those little things that very few people ever think about, but it gets out there kind of sensitive like. Do you support the view that excess wild horses and burros taken from public lands should be sold for commercial use?

Secretary HODEL. Senator, it is my hope that we can try to find some accommodation to the competing and extremely tensely held views on the subject of wild horses and burros. I have heard conflicting statements about the impact of wild horses and burros——

Senator FORD. Bureaus? [General laughter.]

Secretary HODEL [continuing]. Burros on the lands of the West. There is a factual issue that ought to be determined before we take the next step. If we do have land damages as contended by very many responsible critics, then it is important that we find a way to resolve the issue. Hopefully we can do it in a way that is generally satisfactory. I do not know whether commercial sales will qualify as an acceptable means of resolving that problem.

Senator FORD. I am concerned about the possibility that the Office of Surface Mining may promulgate a Federal program for the regulation of surface mining and reclamation operations in the various States, mine in particular, so I would like to ask you some hypothetical questions if I may, and hopefully we can come to some reasonable understanding of what your approach might be as it relates to OSM.

If OSM decides to withdraw its approval, we will say, of Kentucky or a State regulatory program, then suspends its abandoned mine land reclamation program, what will happen to the reclamation fee moneys that have been collected to date from mining activity on lands within that particular State?

Secretary HODEL. Senator, I am sorry. I don't think I know the answer to that question.

Senator FORD. Let me ask you then specifically would my State under those circumstances continue to receive its 50 percent share provided for under title 4 of the Surface Mining Control Act of 1977, so that would be part of your answer to me?

Secretary HODEL. Yes.

Senator FORD. Do you know what the average length of time is to complete the mine permitting process pursuant to the Federal regulatory program?

Secretary HODEL. No, I do not.

Senator FORD. Do you have any idea about OSM, if I get into some questions here this morning, or should I just submit them to you for the record?

Secretary HODEL. I have a general view of OSM, Senator, but I do not think I have the answers in the specificity that you are seeking. I would be happy to respond for the record.

Senator FORD. It is a touchy question. I would have thought you would have boned up on that one this morning.

Secretary HODEL. I have tried to bone up on a wide array of questions and——

Senator **Ford**. Since you knew you were going to look at me, I figured you would know you would get some of that. [General laughter.]

Secretary **Hodel**. With regard to Office of Surface Mining, I believe——

Senator **Ford**. Do you have any plans with regard to the Office of Surface Mining?

Secretary **Hodel**. It is my understanding that it is an extremely important office to the whole mining industry. It is important here again that we enforce the law in such a way that it achieves the objectives of that law with regard to the protection and the reclamation that is desired.

I don't know the specifics of how that law operates with respect to the fund, as you were asking earlier. It seems to me again that our basic thrust is to try to seek State primacy. Where we must withdraw from that for some reason, it would be our desire to go back to State primacy as soon as possible.

Senator **Ford**. If you were to withdraw State primacy based upon the recommendation of the agency, based on how many employees that State should have, and the State may say that we can accomplish that with fewer employees, like 408 from my State, will OSM employ the number of employees they are saying we have to employ in order to stay under primacy.

Now, that looks a little bit foolish to me when we think we could issue a permit in half the time when you had primacy here at OSM.

Secretary **Hodel**. Senator, I could not agree with you more. I do not think—unless we are required by statute to provide that kind of detailed direction—that it is appropriate for us. It seems to me that our objective should be to achieve the bottom line objective of the Surface Mining Reclamation Acts, not to determine how many people must be employed to do that.

Senator **Ford**. If we are performing the job based on the number of employees we have, we should not be required to increase employees. Of course, there would be a discrepancy in whether we are complying with the act or not.

Secretary **Hodel**. I think what we ought to have is performance standards. We ought to have results as the test, not whether the State proceeds precisely as we would have proceeded.

Senator **Ford**. Mr. Secretary, you are entering an office where you will be the steward of our Nation's coal resources. I presume that you will retain your enthusiasm over the need to use our most abundant domestic fossil energy resources.

As you leave DOE, what is your assessment of DOE's program to develop technologies that will burn coal cleanly?

Secretary **Hodel**. I am led to believe by the people who are running those programs, and those who are observing them, that they are solid programs. They are sound programs and they have some real prospective payoffs in the years ahead. We have no breakthroughs to announce. We have no breakthroughs that we know are imminent, but we are optimistic about some of the coal cleaning technologies.

We are working, as you know, on combustion techniques. I believe the fluidized bed and the pressurized fluidized bed technologies are at a stage where they are ready for utility level demonstration. I think that that will occur when utilities reach the point where they are projecting load growth requirements sufficient to require additional generation.

As you know wherever possible I have not favored demonstration projects throughout the Department of Energy because they consumed vast sums of money, not necessarily in the right place at the right time. But research, I think, has been working well.

Senator Ford. We lost any support from the Federal Government—we finally got it with the help of the chairman and some others—on our fluidized bed combustion at Shawnee near Paducah. All the money basically was States' or private enterprise money, and that is going along very, very well. They are now getting ready to institute one of those vessels, the spray technology as it relates to the use of ground coal.

So we are doing basically some of those things on our own.

As Secretary of the Interior, and this will be my last question, Mr. Chairman—I thank you for the time—as Secretary of the Interior, you will also be the chairman, as you discussed with Senator Johnston a moment ago, of the cabinet Council on Natural Resources and Environment.

That Cabinet Council, I presume, will have jurisdiction over the clean coal program, which was authorized last year to encourage the development of clean coal technologies. As chairman of the Cabinet Council, do you intend to encourage within the administration the implementation of this clean coal program?

Secretary Hodel. Yes, and as I understand the discussions, I have no problem with that.

Senator Ford. Thank you, Mr. Chairman. I appreciate the answers, and I will submit the questions on OSM for prompt response.

Secretary Hodel. Thank you.

Senator Ford. I would like to have them before confirmation.

The Chairman. I might make a generalized announcement. In that regard, I would hope that all members who have questions to submit to Secretary Hodel would have them to us for that submission by close of business today, and that the Secretary would have those responses to us on Monday if at all possible, so that we can be in a position at least to know whether we are ready to go ahead at the business meeting on Tuesday.

[Secretary Hodel nods affirmatively.]

Senator Heinz. Mr. Chairman, thank you very much.

Yesterday, Mr. Secretary, I raised some questions with your soon-to-be successor at the Energy Department, Mr. Herrington, regarding an issue that my staff has been in touch with your staff on regarding the procurement of the casks at Three Mile Island.

As you know, I want to get from you, not necessarily today but in writing some time before your confirmation goes to the Senate floor for an actual vote, responses in writing to some questions I want to put to you today.

Clearly, this is an issue that you as Secretary in the normal course of events wouldn't be expected to focus on. This is an issue that is properly delegated. It is a contract performance issue.

But for the benefit of my colleagues and the record, the facts basically are that the DOE some time ago agreed to undertake responsibility for the radioactive core, its removal and study, at Three Mile Island.

And that was a very important and, I think, generous commitment on the part of the Department, and the Department has an excellent record of cooperation in working with us in our State and with our Government to address the Three Mile Island situation.

I don't fault the intent or the actions to date of the department in any way. I commend you, Mr. Secretary, on that. I am, however, concerned about the following situation, given the timetable that everybody has been working toward.

The timetable, and you have to remember that we had our accident 5 years ago, the timetable has been to remove that hot, radioactive core at the end of 1985 or early 1986. Hence the delivery of these casks has been scheduled for December 1985, at least according to the information my staff has received from DOE.

If the casks are there and they work on December 1985, no problem. I will be the happiest—I will be one of the two happiest Senators in Pennsylvania. Senator Specter will be happy as well. But I am very concerned about the handling of this, because December 1985 is only 11 months away.

It takes, or at least it has historically taken the Nuclear Regulatory Commission somewhere between 18 and 36 months to get NRC certification of any casks. These are new casks, and they haven't yet been built. To the best of my knowledge, until today they haven't even been designed.

So, I have a serious question right up front as to how the timing is going to be met.

The second question is a problem I have, a doubt I have about the ability of the particular contractor to perform. This contractor may be able to perform. It may turn out that this contractor has technology that is several, one or more generations ahead of current technology in the construction of these casks.

On the other hand, I have no evidence or warranties that that is such. Let me tell you what I do have. I do have from both your and my staff that this particular contractor has never built a cask of anywhere near comparable size or complexity. I also understand that for each of the two casks that are going to be built, the price is $1 million.

Further, that in the last 5 or 6 years, no similar cask has ever been built on a per unit basis for less than $3 million. Now, maybe this contractor can save us that kind of money. Maybe they can save us $2 out of $3 in spite of the inflation over the last 5 years. If so, God bless you. But if not, we have all got a problem.

Let me therefore just get to the questions, and I want to state that I think your staff, Mr. Vaughn and others, have tried to be helpful, but somehow I still don't have in writing the answers to what I think are the pertinent questions.

DOE, in response to the discussions we have had so far, has done two things. The first is that DOE has said, and we didn't request this, DOE has said that they won't make any progress payments on the contract until the NRC certification process is finished.

Now, I not only didn't request that, I am inclined to dislike it. I have reservations about that particular requirement, the way it has been stipulated to me and what its implications are.

I don't know what the implications will turn out to be, but if it is really going to take 36 months to get certification, and somebody in the Department says, Senator, you asked for this, on the record, I didn't ask for it, I don't even like it, because I don't want somebody laying a dead cat at my door that says, Senator Heinz, what you asked for was a 36-month delay, even though you didn't know it at the time. Let's get that straight on the record.

The second thing DOE has done, and this is, I think, in an effort to be helpful, is that you have apparently received assurances that the contractor will incorporate a $5 million guarantee of the contract by resolution of the board of directors of the firm's parent company. That may be helpful, but I think if you answer my question, I will know how helpful that will be.

Question No. 1 is really this: Given the fact that DOE contracted a little over $2 million to build two casks at $1 million each, and nobody has ever built a cask for less than $3 million, can I get in writing an explanation of why you expect the contractor, NU-PAC, to build an NRC-certifiable cask by 1985 for this amount?

I don't want any trade secrets. I don't want any proprietary information. I just want something that I can understand.

No. 2. We have talked about how the NRC certification process is a long time, 18 to 36 months, and how the delivery of the cask is scheduled for December 1985. Can I get in writing an explanation of why DOE thinks the NRC certification will take less time, because it has got to if this schedule is to be observed?

[Secretary Hodel nods affirmatively.]

Senator HEINZ. The parent company of NU-PAC has guaranteed a contract up to $5 million. I guess that sounds like a good idea, but I really don't know, and I would like to be told in writing how that would work, for example, whether such a resolution has any lasting or legal force, whether there is adequate cash or receivables to fund it, whether it is secured by assets of the parent company or some other assets, and under what circumstances the Government may claim recovery under this resolution if indeed it can, and so forth.

Finally, DOE has informed my staff verbally that no paper trail exists tracing the decision to select new casks when until March 1984 the preferred option was the redesign of a Navy cask, one called the M-130. Now, that may have been a good decision. It may have been a bad decision. I don't know.

But what is amazing to me is that there is no paper documentation of such a significant decision. I have asked for such documents in terms of the decisions, and if they really aren't there, I'd like a written response saying that they are there or not there, and if they are there, frankly, I think they ought to be shared with you among other people as well as me.

I guess since I don't want to take the time of the committee, Mr. Chairman, Mr. Secretary, to have you answer these questions here, I suspect the details of them go beyond what one could reasonably ask of the Secretary in a hearing like this.

Let me say the issue behind my questions is a simple one. It is this. Is the scheduled cleanup at Three Mile Island going to be jeopardized by the way someone in DOE has handled cask acquisition? I hope not, but if the casks are not available on time, or if the contract ends up doubling or tripling in cost, and the taxpayer is left holding the bag, or if the contractor defaults on the contract and there is inadequate bonding or, if you will, in today's Defense Department vernacular, this is another $500 hammer or DIVAD gun that doesn't hit its target or has a cost overrun like an AMRAM missile, like Mr. Weinberger was talking about yesterday.

I just want to make the record that we, you and I, or your successors are making and did make every effort, every reasonable effort to straighten it out while there was still time, and if in fact we were unsuccessful in doing that, that whoever messed this up is left hung out to dry on a clothesline in plain, broad daylight for everybody to see.

Secretary HODEL. Senator, I understand the thrust of your question clearly.

Senator BUMPERS. I didn't. Would you repeat that, John? [General laughter.]

Secretary HODEL. Let me say that I know your concern. All I can give you are assurances that we think we are on target, we think we are on schedule. I will provide in writing the responses you have asked for.

As you say, this is not an ordinary issue that would rise to secretarial level, but thanks to your interest, it has. I think it will receive special attention, and to the extent that is beneficial to this process, then it helps assure that we will meet this schedule.

Senator HEINZ. Mr. Secretary, every meeting I have had with you has been totally honorable and worthwhile. I know you are a man of your word, and I believe you once again, and I know you will fulfill it. Thank you.

Secretary HODEL. Thank you, Senator.

The CHAIRMAN. Thank you, Senator.

Senator Bumpers.

Senator BUMPERS. Mr. Secretary, let me say first of all I was interested in your comment about how you favored the Endangered Species Act. Right after the last election, there were a lot of bumper stickers that said "To hell with the snail darters, save the Democrats. [General laughter.] Mr. Secretary, do you generally favor the outer continental shore leasing policies and laws that are now in the books?

Secretary HODEL. I believe I do, yes, as I understand them.

Senator BUMPERS. As you know, that is an all competitive system, and as you know, we are now leasing and have been since the memory of man runneth not all of our onshore lands for $1 an acre; 97.3 percent of our lands for the past 4 years have been leased for $1 an acre, some on a first-come-first-served basis, and some by lottery.

Now, you and I went through this during your confirmation hearing for your last confirmation, but as you know, I am almost a Johnny One-Note on this issue, and like Senator Chafee, I am going to ask you a very long question, but I just want to make these points.

No. 1. The lottery system is a violation of the Federal criminal laws, the gaming laws of this country. That is really curious to me, that we can't even enforce the gaming laws where the Federal Government is leasing its land by lottery.

Let me give you just a few of the abuses that Secretary Watt and Secretary Clark kept trying to put Band-Aids on. No. 1, 33,000 acres of land at Fort Chafee in 1978 were leased for $1 an acre to the Texas Oil & Gas Co. because they were the first ones that asked for it. The only reason Fort Chafee had never been leased is because military reservations, as you know, were not permitted to be leased.

We changed that law in 1976, a year later, simply because Senator Ford held hearings here in this committee room asking the Bureau of Land Management what on Earth was going on, and the United States Geological Survey, I must say they and the BLM both, it was the most pitiful performance I have ever witnessed since I have been in the Congress.

But that was challenged, and the Supreme Court last week denied certiorari and canceled the 33,000-acre lease. It has been in the courts all this time. But a year after they got the 33,000-acre lease at Fort Chafee, which is surrounded by about 500 producing gas wells, they leased another 24,000 acres at Fort Chafee on a competitive basis, and it brought $1,705 an acre.

Now my guess is that this land which Texas Oil & Gas originally got, if it hadn't been challenged and if we hadn't won that thing in the courts, my guess is that if you will put that land back up for competitive bids this year, and I certainly divinely hope you will do that and have a letter to you in the mail requesting that you do that, I think the minimum that 33,000 acres will bring is $50 million and possibly $100 million.

As W.C. Fields said, that ain't beanbags. The difference between $33,000 and $100 million is a big loss to the Federal Government. Two years ago in my State the Bureau of Land Management leased 2,000 acres of the national forest in the Ouachitas on a first come, first served basis for $1 an acre, and the State of Arkansas owned 80 mineral acres within that 2,000 acres. We didn't even own the surface, but our law requires us to let everything on a competitive basis, so we leased our 80 acres on a competitive basis.

The Government took $1 an acre or $2,000 for its 2,000 acres, and we got $103 per acre for our 80 acres. We got four times as much for our 80 acres as the Federal Government got for 2,000.

In August 1983, in Wyoming, in the Amos draw field, a driller from Denver, Marvin Davis, had made one of the biggest oil discoveries in recent times in this country.

The Bureau of Land Management—what was that, Susan, how many acres, 22,000? The Bureau of Land Management put up 13,000 acres of land surrounding one of the biggest oil discoveries in this country in the past several years by lottery. Eighteen leases, 13,000 acres.

We got $13,000 for rental fee and $1.2 million in lottery applications for the leases and 12 of those 18 leases were resold to oil companies within 6 weeks after they won the lottery for over $50 million. Now, the other six have since been sold, and I haven't found out what they are worth, but NBC did a little segment on this that probably the 18 leases were sold for $100 million. We got a little over $1.2 million.

Now, I can go on with these horror stories about how ridiculous this is, but I wanted to make this record this morning, and I wanted to refute the only argument I ever hear to justify the biggest scam going on in this country. That is, if you do away with this, you will keep little independent oil and gas operators from ever getting a lease.

Now, No. 1, the independent operators in this country are getting 82 percent of all the leases that are put up on a competitive basis. That is 2.7 percent.

Anytime they say it is a known geological structure, and that means oil that virtually has to be coming out of the ground on its own, they put it up for competitive bids, and 82 percent of those leases are being obtained by the small independent operators in this country, so that argument makes no sense.

Second, as you know, every State in the Union, even Wyoming, who just recently came around to it, leases its land on a competitive basis, and the small independent operators are getting between 50 and 90 percent of their leases, which are put up on a competitive basis.

Now, you and I have talked about this before, and the argument is made, if you were to take bonus bids on this and do away with the dollar bid, gas prices and oil prices would go up.

My problem with that argument is, these lands are bringing about what they are worth, because the winners of the lottery and the people who are getting it for $1 an acre with minor exceptions are turning right around and selling it to the oil companies for huge bonuses, so the oil companies are paying the bonuses.

It is just that we are not getting the money. It is the people who are putting their names in the lottery.

Mr. Secretary, my final question is this: No. 1, what do we know that the States don't know, and second, isn't the proof in the pudding? Are we just going to go on with this specious argument for years and years when CBO says that on all competitive system would increase receipts by $700 million over a 5-year period.

Secretary HODEL. Senator, the items you have listed are not defensible, and I wouldn't attempt to do so. I share your upset, concern, and outrage at——

Senator BUMPERS. I am upset about one other thing that I didn't mention. Half of this money goes back to the States. We need the money.

Secretary HODEL. As we all know, the Federal Government can use it as well.

Senator BUMPERS. I am sorry I interrupted you.

Secretary HODEL. I do not sit here before you and have any intention of attempting to defend that. I do know, as you do very well also, that there is a constituency which has pursued this issue with the Department of the Interior and so far has been successful in defending the proposition that there ought to continue to be a lottery.

I understand there is a secretarial decision document that is being prepared for Secretary Clark. It may well be that I will be the recipient of that document if the committee and the Senate see fit to confirm me.

But I can say I am moved by what you say. I am influenced by it. I can assure you that if I encounter arguments other than the only argument you have laid out here in favor of it which I think bear consideration, I will attempt to bring those to your attention and discuss the matter with you.

Otherwise, it seems to me that you are making a very compelling case for the proposition that something must be done.

Senator **BUMPERS**. Mr. Secretary, let me say I have the highest regard for you. I know you are an intelligent man. And I know you want to be Secretary of the Interior. But in all fairness, I have heard three Secretaries sit in that seat and tell me they are certainly going to look into this, and I think it could be changed administratively.

David Stockman wants it changed administratively. I forget, somebody else in GAO has written a letter over there. I think a fellow named DeMuth has written a letter saying this is outrageous, we can't go on with this, and yet it continues.

Frankly, I know why I keep losing this battle in the Senate. It is a poor secret. There are some people who like this system who have a lot more clout in the Senate than I do. I ruefully and regretfully have to admit that. But I am just saying that at some point the American people are going to start writing letters to Members of Congress saying, for God's sake, do something about this.

I could go on with the fraud. When this thing first came up on the Chafee thing, we discovered people were putting their names in the pot hundreds of times. Dead people were being registered in the lottery. And yet every time we try to do something about it, there is just a little minor change.

Secretary Clark told me, well, I am going to change the way we determine a known geological structure. Yes, the Ouachita National Forest in my State has been declared by top geologists in my State as having a great potential for oil, and the Bureau of Land Management, despite my protestations and pleads with Secretary Clark to please start leasing the lands in that forest on a competitive basis.

Incidentally, the oil communities came in and resisted my wilderness bill on the proposition that the Ouachitas were full of oil. They said, please don't block out that land in the Ouachita Forest, because we want to drill in it. And yet the Bureau of Land Management has continued to lease every single acre of national forest they can find in my State to lease to anybody who is willing to pay $1 an acre for it.

I said a moment ago we had $103. I meant we got $103 an acre. I hope you understood that.

Secretary **HODEL**. I did understand that.

Senator **BUMPERS**. I said we got four times as much for 80 acres as they did.

Mr. Secretary, let me ask you, No. 1, let me ask you this. Will you personally look into the leasing policies on the Ouachita National Forest? We won our case at Fort Chafee.

Secretary **HODEL**. Yes, I will.

Senator **Bumpers**. Can I depend on you now, since we have won that case, and since there is drilling at Fort Chafee on the other 24,000 acres, and it is surrounded by 500,000 gas wells, can I depend on you to let that competitively?

Secretary **Hodel**. If it is within my ability to do so, I would propose to lease that land competitively based on what you have told me today.

Senator **Bumpers**. I promise you it is within your ability. They could not have leased the other 24,000 acres competitively if they couldn't lease these competitively. That is just what the Supreme Court got through saying, that this is wrong.

Secretary **Hodel**. I have no reason to doubt what you have represented to me. It is consistent with what I believe I have been told by the staff of the Department of the Interior. If that is correct, I believe it should be a competitive lease, and I hope we could do so promptly.

Senator **Bumpers**. Before you make a final decision, will you consult with me and tell me what you plan to do?

Secretary **Hodel**. Yes.

Senator **Bumpers**. No. 2, on the Ouachitas will you personally look into the leasing policy on the Ouachita National Forest?

Secretary **Hodel**. You are requesting it, Senator. I will certainly do so. I was not aware of a problem there, but I will certainly look into the matter.

Senator **Bumpers**. Mr. Secretary, you and I talked a little in my office about the problems Arkansas has with the Grand Gulf plant and Middle South Utilities, and there is a proposed settlement offer before FERC right now on that, but you have gotten a lot of publicity in Arkansas, Louisiana, Mississippi recently when you testified about the country's nuclear policy.

You were quoted in one Mississippi paper, I believe it was, as saying that you believed that the second unit of Grand Gulf—now, for the record Grand Gulf No. 1 is supposed to go on stream in March, about 30 days away. It is virtually completed and ready for operation, and so far as I know it has been licensed.

Grand Gulf Two is sort of a gleam in the planners' eyes. It was Grand Gulf Two that the hearing was held on, and you were quoted in this newspaper as saying we would see the day when we needed that powerplant, and that you recommended that the Mississippi Public Service Commission go ahead on a powerplant siting hearing and license the operation of that second plant.

Now, you see, I take strong exception to that, if that is correct, and I want you to tell us whether it is or not, because the proposition that we are faced with in Arkansas right now is taking somewhere between zero and 35 percent of Grand Gulf One, and we have about 2,500 excess megawatts of power in our State already.

We will be forced, it looks like now, to pay for somewhere between 27 and 35 percent of Grand Gulf One, and we couldn't use a kilowatt from that plant for the next 5 years if our life depended on it, so why would you argue that Grand Gulf Two should be built?

Secretary **Hodel**. Senator, I appreciate the opportunity to clarify those stories. I did appear before the Public Service Commission in the State of Mississippi about the Grand Gulf plant.

I made very plain both before I appeared and during my testimony and, I hope, subsequently as best I could that my purpose in being there was not to try to tell the Commission what its responsibilities were or how the Commission should conduct itself.

It has a responsibility to make the judgments about the economic and electric requirements and other aspects of that plant. The NRC has a responsibility to deal with safety questions. And I was not there to address those questions.

My purpose, which I think I stated clearly to the Commission, was to lay out for them the national energy aspects of domestic power resources and point out that every time a decision is made, it does have some potential impact upon the imports of energy into the United States. I am concerned about energy independence.

So, that was the thrust of my testimony.

Senator BUMPERS. Were you talking about nuclear policy in general, not just that plant?

Secretary HODEL. Yes, I was. In fact, I tried to place it in that context, and I expressly indicated I had not attempted to determine the power requirements in the area for that particular plant. High powered consultants had been retained by both parties——

Senator BUMPERS. Given what I just told you, I hope you would have not said the same thing then.

Secretary HODEL. Let me go on. The second part of your question is this comment about the need some day. That is a broad statement which I as Secretary of Energy have made in many forums throughout the country. I do believe some day we are going to need more domestic resources than we currently have for several reasons.

I do not like to see increased imports of energy that render us unduly dependent. We can import significant quantities and not be jeopardized, but at some point those imports begin to jeopardize us, in my estimation.

Second, I do believe there will be energy growth requirements, and some of the existing resources will be diminishing in their availability. Therefore, when I talked in terms of some day, I was not attempting to prejudge the issue of the economics and the current requirements of that plant in that area.

And taking the facts you have, it presents a very difficult issue for the Commission, and frankly one as Secretary of Energy I could not seek to help them with.

Senator BUMPERS. Thank you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Senator Wallop.

STATEMENT OF HON. MALCOLM WALLOP, A U.S. SENATOR FROM THE STATE OF WYOMING

Senator WALLOP. Thank you, Mr. Chairman. On this dark and dismal morning, for more reasons than one, I wish I could say I was totally overjoyed to see you here and lest you take immediate offense at that, let me say that I admire so much Secretary Clark, whom you are succeeding, and I admire so much you and the job you have done as Secretary of Energy. Those are two rarely important positions as far as my State of Wyoming is concerned, and I think they have been filled so ably.

It has been quite a relief to be able to sit back and know that there is a level of competency and understanding about the problems in my State and my responsibilities entail.

So, while I welcome you with all the welcome I can muster to be Secretary of the Interior, I have to say that I am sorry to see your predecessor leaving, and I am particularly sorry to see you leaving Energy.

While I have your attention, I would like to mention a few things of interest to me in the State of Wyoming and the West in general. Briefly, these are land protection, range land improvement issues, along with a few policy changes in the water and energy areas floating about in the administration's budget.

As chairman of the Public Lands and Reserve Water Subcommittee, I am particularly concerned about the backlog of authorized but unacquired land in our national parks and forests, as well as wildlife refuges. It is extremely critical, in my view, given our present budget constraints, that the Department pay extra attention to other techniques of land protection such as exchanges or easements in lieu of outright fee acquisitions.

Senator Johnston's problem with Atchafalaya was not a problem of not acquiring new lands, but being unable to acquire that which has been authorized, because we continue to authorize anew and leave a number of American citizens whose property has been authorized to become a national park or other national acquisition, that we don't pay them for it and go on increasing our appetite for other things around the country, and moving people to the head of the line to get paid for first, as we did in certain southern parks just last year.

I know of no other way to describe what we are doing than as an unconstitutional sin against the citizens of this country. If I were to own a piece of the property along the edge of Redwoods National Park, for example, there is no money to buy that from me; and yet, I cannot do anything on it but pay the taxes for it. And if I go to do anything on it, I am enjoined from that because it's a national park, so it has the effect of taking without compensation, which is totally unconstitutional in the United States. Yet, our appetite for other areas continues to grow. I think it's irresponsible.

And what I hope to be able to work with you on, because you have been as Assistant Secretary involved in some land exchanges, areas different from fee acquisition to provide the protection that is necessary for outstanding natural lands in this country.

I am also particularly pleased about the positive approach that the Department of the Interior and Secretary Clark has taken in establishing a new recreation commission. This approach more than anything illustrates the role of a public-private concept, partnership concept in providing for America's recreational needs and the demands those needs will place on our lands in the next century.

As far as legislative priorities are concerned, there are many that will draw your attention during this session. One of particular concern and importance, not only to me but to Senator McClure and my other western colleagues, is the package of various rangeland issues. A number of those issues were identified at workshops conducted by the Congressional Research Service at my request and the request of other Members from both Houses. And as we have these confirmation hearings, over 20 groups, speaking of consensus, are working on a legislative package which will include recommendations on the setting of equitable grazing fees, wild horses and burros—the question Senator Ford brought up—as well as methods of funding range improvements and various approaches to ensuring broad representation on those boards of the interests that are there.

I have the remainder of a statement, Mr. Chairman, that I would like inserted in the record as if delivered.

The CHAIRMAN. It will appear in the record at this point.

[The prepared statement of Senator Wallop follows:]

Malcolm Wallop

STATEMENT OF SENATOR MALCOLM WALLOP

ON THE NOMINATION OF
DONALD PAUL HODEL
TO THE POST OF
SECRETARY OF THE INTERIOR

SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES

FEBRUARY 1, 1985

I too, would like to welcome you to the Committee and look forward to working with you as Secretary of the Interior. I am very pleased with your nomination to this post, since I was very comfortable in working with you as Under Secretary. I look forward to continuing our very good working relationship in those life and death issues which are so critical to the West and especially to my state of Wyoming. And, now with your broad experience in both the Interior and Energy Departments, I am confident we will improve and build upon this solid relationship as a number of public land, energy, and water issues begin to take shape during this session of Congress.

On that subject -- and while I do have your undivided attention -- I'd like to mention a few areas of utmost concern to me, the state of Wyoming and the West in general. Briefly, these are land protection and rangeland improvement issues, along with a few policy changes in the water and energy areas floating about in the Administration's proposed budget.

As Chairman of the Public Lands and Reserved Water Subcommittee I am very concerned about the backlog of authorized, but unacquired land in our National Parks and Forests as well as our Wildlife Refuges.

It is extremely critical in my view -- given our present budget constraints that the Department pay extra attention to other techniques of land protection -- such as exchanges -- in lieu of outright acquisition.

Also, I am very pleased about positive approach the Department has taken in establishing a new Recreation Commission. This approach more than anything illustrates the role of the public/private partnership concept in planning and providing for America's recreational needs, and the demands those needs will place on our lands into the next century.

As far as legislative priorities are concerned there are many that will draw your attention during this session. One of particular concern and importance not only to me, but to Senator McClure and my other Western colleagues on this Committee is a package of various rangeland issues.

Already, a number of these issues have been identified at workshops conducted by the Congressional Research Service at the request of members from both Houses. As we speak, over 20 groups are working on a legislative package which will include recommendations on setting equitable grazing fees, the wild horse and burro question as well as methods of funding range improvements and various approaches to insuring broad representation on advisory boards and councils, and looking at measures to protect sensitive rangeland areas.

We may sound as though we are off and running at a gallop, but we need your -- we need the Department's -- reports on the Experimental Stewardship program and grazing as soon as possible. The recommendations can come later. We need your draft materials now.

I would also like you to know that I am extremely concerned about several so-called proposals contained in the OMB budget. These would include a steep increase in not only grazing fees but recreation user fees as well. The proposed shift from gross receipt to net profit sharing from federal mineral and timber sales is very worrisome to me as I am sure it is to my other Western colleagues.

I am also concerned about the OMB proposal to place the $12 billion in existing hydro power and irrigation debt on a fixed amortization schedule and to raise the interest rates on all debt to the current Treasury cost of money. In my view, this would effectively preclude irrigation projects in the future, and so substantially raise the rates for consumers that needed projects may not get built. I will be extremely interested in seeing how the Department handles some of these proposals.

I will conclude by noting that while our country is apparently enjoying our energy surplus, we must remember where we were in the '70s and vow never to retrace our steps. That is why the Department must continue to get its domestic coal and oil and gas leasing programs in order. The Department also must -- even if it is with a strong guiding hand from members of Congress --continue promptly with its review of the Federal Oil and Gas Royalty Management Act regulations that are ridiculously inflexible and punitive; and are about ready to place America's oil and gas industry into bankruptcy.

I look forward to working with you and other members of the Department on the many public lands and energy and water issues that will affect not only the West, but the future energy security of America.

Senator **Wallop**. And I will go to questions.

Mr. Secretary, without in any way intending to indulge my colleague from Arkansas in a debate at this moment in time, suffice it to say there is another argument which has been offered and has prevailed. I think my colleagues' reasons for failure are less his lack of clout and seniority than the lack of credence to the argument. They sound very flamboyant, as he describes them, but there are other arguments, and I hope before rushing off to accommodate one member of this committee, you will be willing to listen to another.

Senator **Bumpers**. I'm anxious to hear the other arguments.

Senator **Wallop**. You've heard them, Senator. You've heard them last year. I did not—I did not interrupt you, and I would prefer not to be interrupted by you.

In your term of Under Secretary of the Interior, Don, you were directly involved in the negotiations for the exchange of lands as a means of acquisition of private lands for public uses, that is, parks and refuges, et cetera. You are also very aware, as you have already stated, of the budget realities of the 1980's and the limited funding from the land and water conservation funds that will be used for acquisition by your land managing agencies, National Park Service, Fish and Wildlife Service and BLM.

Now, the use of exchange for acquisition of vital lands or interests on these lands, easements and such, has been encouraged, particularly by me and others in the conservation community. My questions are this.

Would you consider appointing a departmental task force and including the Forest Service in that to see if there are means by which we can expand the use of exchanges and acquisition of easements as a land protection tool given the budget constraints of today?

Secretary **Hodel**. Senator, I assume you wouldn't ask the question if you didn't feel there would be a benefit from such a task force. I would be more than happy to consider that and try to move forward with something that would contribute to our ability to use exchanges more effectively.

Senator **Wallop**. I would be particularly interested in directing your attention to California and the Coastal Conservation Commission which has done really creative work in the acquisition of interests in coastal lands without acquiring them in fee, to provide the total protection which they wish to have for the State of California and its people without the obligation of managing them and without the burden of acquiring them in fee.

Russ Dickinson, as you know, is about to retire as Director of the National Park Service. Would it be your intention—and I know you can't answer engraved in marble—but would it be your intention to try to find a career professional from within the National Park Service to replace him?

Secretary **Hodel**. Senator, I have the understanding that there are several names under consideration for that position, at least one of which may have real national stature but is not currently a career employee of the National Park Service, but who would, I think, be possibly a very credible candidate.

I have a desire to, if it's up to me, to support the selection of someone who can carry on the tradition of the National Park Service and look to the future of the parks and what we have lying ahead of us. I would not want to restrict myself to a career professional. However I certainly would not object to the conclusion that the best person for the job is a career professional.

Senator WALLOP. I phrased my question in such a way that you wouldn't restrict yourself to that, but only that you would look among the personnel of the career officials at the Department, because I know in a funny way within your Department I know of no single position which affects the enjoyment of more Americans than the Director of the National Park Service, or who has a more complicated task of trying to protect and preserve the wildlife and resources within those parks while making them available to a public which consists of people who sometimes are damned fools, who get eaten by bears. [Laughter.]

I recall just briefly my former colleague, now deceased, Senator Allen, who had a constituent that in fact broke into Yellowstone National Park and camped illegally in a place that was posted for no camping, and was fed illegally by one of the park employees, and in disposing of what he fed, he attracted a bear and got eaten. And we have a private relief bill for his family. And that was in my days when I was first on the Judiciary Committee, and the relief bill went through in one of those little packages that everybody said everybody knows what's in here, and it's all all right, and found it on the floor and put a hold on it.

And I questioned Senator Allen about it. I said, you know, are you really serious about compensating this boy's family? He said yes. He said that boy's family is my constituent. And I said well, hell, Senator, the bear is my constituent. [Laughter.]

And he says yeah, Malcolm, but you've got to understand, he says, you've got to admit that boy was et by the bear, and it was a government bear. [Laughter.]

But I still count the bear as my constituency, and I still count the national parks as a place for wildlife and the enjoyment of the public of that wildlife as they are naturally and not constrained as they would be in zoos.

If you are confirmed, which I assume by all indications you will be quickly, would you intend to pursue the policy of your immediate two predecessors of acquiring water for Federal needs pursuant to the State water law?

Secretary HODEL. Yes, I would.

Senator WALLOP. I appreciate that answer more than I can tell you, because some would not.

In the West, the issue of reserved and nonreserved water rights is of particular importance. With regard to the Bureau of Land Management, what kind of policy will you pursue—will you be pursuing if you are confirmed in acquiring reserved water rights for Federal uses on BLM land?

Secretary HODEL. We will follow the State law. My understanding is that the current solicitor's opinion sets forth the administration position on those water rights. I would expect to adhere to that. Where we have problems it seems to me we have to try to negotiate solutions. Litigation is expensive and long range. Legislation is very difficult to craft for specific situations. It seems to me that where we've had success in a timely fashion it has been through negotiations.

Senator **Wallop**. I would very much hope that that goes.

Mr. Secretary, one last question. In the summer of last year, Congress passed a thing called the Deficit Reduction Act of 1984, and it included an amended Dingell-Johnston Sport Fishing Restoration Fund, increasing that program several fold by adding new products to those subject to a Federal excise tax on fishing equipment, plus a portion of the Federal fuel taxes paid by boaters, and plus importation duties on pleasure boats and fishing tackle.

Following the passage of that, Secretary Clark called the changes, and I quote, "The most significant steps on behalf of fishery conservation and enhancement since the original legislation of this type was first passed three decades ago." And, of course, the ultimate credit should go to individual anglers and the boating public who pay the taxes willingly for fisheries, conservation, and management. They are the ones who by their willingness make this program work.

It is now a rather open secret that the President's 1986 budget proposes to withhold nearly all of the additional moneys provided by the 1984 amendments. We've got the industry and the paying recreational public on board to tax themselves to do a conservation measure on behalf of the whole country. And people are today paying those taxes on the new products, and the money is now going to be withheld. And I would hope that you would, for me, take a message back that boating fuel taxes ought to be available to aid boating and fishing rather than spent on highways through the Highway Trust Fund. Take the message back to OMB and the White House that they'll have a hell of a fight on their hands to divert these recreational user fees from their congressional direct uses.

Do you have any comment on that?

Secretary **Hodel**. Senator, I will take the message back. Let me comment on it a bit. I hope it is not inappropriate for me as a nominee before this committee to be this specific, but I am aware of your concerns. I am aware of the budget proposals.

It is my understanding that both the President and the Vice President spoke very positively about the Wallop-Breaux amendments. It is also my understanding that the open secret you referred to about the budget is also correct as to the budget proposal.

As you know, and we've talked before, I'm going to be here before this committee, and I will do my best to defend and represent the President's budget. However, in this case it may well be that, in the process of putting together a national budget, the details of prior commitments were not fully appreciated. So I will take this message back. If it has the effect I would hope it would have, perhaps when I appear before this committee when I talk about the budget, we won't have to have a fight.

Senator **Wallop**. I understand that and appreciate it.

Thank you, Mr. Chairman.

The **Chairman**. Thank you.

Senator Levin.

Senator **Levin**. Mr. Secretary, thank you and congratulations.

Is it your opinion that the Federal Government currently owns too much land?

Secretary HODEL. Senator, that's a question that is almost impossible for me to answer in that context. There is no doubt land in many Western States owned by the Federal Government which is desired by the States or may be useful to the States, which may not have a use by the Federal Government or a benefit to the Federal Government, which clearly would fall into the category of too much.

But to answer the question with a blanket response might say more than I really want to say to my critics with regard to the policies I would intend to follow. I think that we need to evaluate the land and continue the policies that the Government has followed for a good many years in attempting to make land available to the localities, but also acquire other lands for protection, recreation, and conservation.

Senator LEVIN. I can understand why you don't want to give ammunition to your critics, but it's important that we explore your opinions and attitudes at these confirmation hearings; so I would like to know whether you start off this position with the feeling that we have excessive land in our inventory, and if so, how much about? Is it a significant amount of excessive land?

Secretary HODEL. I don't have a bias on that question. I think I can say the question of whether the land should be in the Federal Government or whether it should be in private hands or in State hands or in some other locality's hands is one that has to be dealt with on a specific basis. In other words, I do not have a blanket policy of saying I wish we could somehow get rid of this land.

Senator LEVIN. You don't start with the feeling that we own too much land?

Secretary HODEL. No, I guess it's true, I do not.

Senator LEVIN. As Senator Wallop, I think, indicated, we've authorized a great deal of money for land that sits there authorized without appropriation. I think it's a good point. I don't know the exact number of acres or parcels that fit that description, but it's obviously——

Senator WALLOP. It's not so much the exact number of acres as it is the number of dollars, which is somewhere around $2½, $3 billion backlog now, and we still exercise every year a little more hunger.

Senator LEVIN. That's helpful. It puts some kind of a scope to it.

Do you view it as your job to seek, at least internally in the administration, appropriations to acquire the land the Congress has authorized?

Secretary HODEL. Yes, but I need to qualify the answer, Senator. I think it's my job to seek it. I think it's my job to explain why it's important, particularly where lands are in need of special protection as distinguished from lands not in particular jeopardy, as I discussed with Senator Johnston earlier.

I think that's my responsibility. I also think it's my responsibility as a member of the administration to be sensitive to the problems we face with the budget and to minimize as much as possible current expenditures.

Senator **Levin**. Do you view your job as an advocate until the budget is adopted by the President—an advocate for funding for the lands that Congress has authorized the purchase of?

Secretary **Hodel**. Yes, I do.

And, Senator, I would analogize to my efforts at the Department of Energy where I have, I believe, conducted myself as an advocate for energy programs. Although when the budget is published, I'm sure that some of the friends of those programs will or may feel I've been nowhere nearly enough of an advocate.

Senator **Levin**. But until that point, you do view yourself as an advocate?

Secretary **Hodel**. Yes, I do. I think it's the responsibility of a manager of a given area within a department to be an advocate to me as well, and I in turn to the President. In the end, we have to try to live within a single budget.

Senator **Levin**. I agree with your approach. I think until the point the budget is adopted by the President and at least forwarded to the Congress, that you and other department heads should be advocates for your departments and the causes within them; and I'm glad to hear that you will be that. You don't view yourself as a mini-OMB?

Secretary **Hodel**. No, I do not.

Senator **Levin**. You view yourself as an advocate for the programs of this department, will advocate them forcefully, including the acquisition—or the appropriation of funds that we've authorized the purchase of, and that is helpful to me.

Do you plan to make any changes in the fairly, at least I think, carefully legislatively crafted Alaska Lands Act? Let me rephrase that. Do you plan on proposing any changes in the act that took Congress so long to craft?

Secretary **Hodel**. Senator, I am not aware of any. That does not mean that somewhere in the Department there is not a proposal of that kind, but nothing comes to my mind when you raise that question.

I would say as a matter of principle I would be quite reluctant to propose legislation that might upset a delicately achieved balance, unless it was desperately needed and genuinely widely sought.

Senator **Levin**. I have additional questions for the record, Mr. Chairman, but I will save them for that.

The **Chairman**. Thank you.

Senator **Domenici**. Mr. Chairman.

The **Chairman**. Senator Domenici.

STATEMENT OF HON. PETE V. DOMENICI, A U.S. SENATOR FROM THE STATE OF NEW MEXICO

Senator **Domenici**. Thank you very much, Mr. Chairman.

Secretary Hodel, I, like many of the Senators here, have some questions directed at the budget. Most of them have been made, with the exception of the proposal in the budget to significantly modify money available for mineral mining leases as it's available on distribution to the States.

You're aware of the proposal that the distribution to the States be cut almost in half by a new approach. I'm not going to waste any time on it. I think you know where most of us stand. But I would suggest to you that you won't be alone as each Secretary or departmental person comes before the committees of Congress; and I would just like to tell you that before you get yourself too committed in terms of giving up things that are in the President's budget, because some will suggest that they could take a more fair and equitable thing like a freeze, I would suggest that you take one quick look at how far from the needed savings a freeze leaves you.

I will give you my rough cut. You freeze everything, including Defense, which isn't proposed to be frozen, and you freeze Social Security COLA's, which aren't proposed to be frozen, and to get to the President's desired number, which has been supported by a rather substantial portion of the U.S. Senate, of $50 billion in outlays you're only $20 billion short under a freeze.

So for those that think the fair and equitable thing everywhere, all the time, in all events, is a freeze, that may be fair and equitable, but you won't get to the point where the President desires to be. So I don't know whether this is by way of a caveat, but it really is indeed the truth; and I hope everybody begins to understand it and I would like to share it with you.

Having said that, I would like to switch directions a bit. I asked if any questions had been propounded of you or any observations made today with you about the Indians of the United States. I only had a brief opportunity to visit with you. That was my fault, and I didn't have any real desire to spend a lot of time with you before this hearing. But the one comment you made was as you studied and prepared for this, you were amazed at the breadth of involvement and the kinds of things you have in your jurisdiction.

I wouldn't want to let the hearing go by without adding to your litany of jurisdictions by reminding you that for the most part, matters dealing with the Indians of America are in your jurisdiction. There are many who don't think it belongs there, but you're stuck with it in any event.

I want to give you my observation and ask you if you would pledge to do something for us. I just came out of a campaign in my State, and I was very proud to move across my State and tell people how good New Mexico is doing for a little State. We had lowered our unemployment numbers 4 percent, the most dramatic reduction in history. We had added maybe 40,000 new private sector jobs. We do 1½ times as well as the national economy in terms of what we should have gotten.

But I found myself on Indian reservations, Mr. Secretary—I found myself, more specifically, on Navajo reservations. That's a large, large piece of land, the largest accumulation of a group of Indians in the United States under one tribal head.

Let me suggest that the situation there is quite different. With all of the recovery there was not a single positive sign resulting from America's economic prosperity of the previous 24 months.

Now, I did not conclude, as some might, that that was the Government's fault, and I clearly want to make the point that I do not believe within your jurisdiction as you interview the next Assistant Secretary—and I hope you will do that—for one that's going to become head of the Bureau of Indian Affairs, I hope you'll make your feelings known as to who's best qualified.

But I don't think that's the Government's fault. I think the problem is that we do not have presently either an attitude or the ability to push private sector development on Indian reservations and on Indian lands. It is so difficult, both because of custom, tradition and laws, that prosperity may be everywhere. But on the Indian lands there is no private sector development.

I was amazed at one of the meetings to find five young Navajos who came up and said we are all businessmen, and when I asked where are you in business, not a single one was anywhere on the Navajo reservation because they cannot do the things there that they can do outside the reservation. They can't get mortgages, they can't acquire land and use it as a private person would use it, collateralize it. There are so many rules and regulations, there is not any kind of opportunity on a reservation like that to have private sector housing, for instance.

Now, I don't want to lay all the blame of this on our rules and regulations. I am not the least bit reluctant to blame Indian leaders for some of this. They are somewhat responsible. Attitudinally they have grown up thinking it's the Government's fault, and where is the Government to hire the people. I'm not telling you anything I didn't tell them. I told them that day is over with; you're going to have to get on with finding out why the private sector doesn't come here, why you're not involved, why don't you own some coal mines, why won't anybody deal with you for a coal mine that you'll own partially and hire your people?

I am suggesting that you could deal with this particular sociological problem in our country. You could do some real good if you will develop an attitude within your Department and within your Assistant Secretary that we have to work together to solve this problem. And it won't come from HUD, it won't come from CETA; it will come of the change of attitude, and we will reciprocate.

So I would ask you, Mr. Secretary, if you would give every consideration to the next Assistant Secretary for Indian Affairs and do your very best to recommend somebody that understands the nature of this problem, not somebody who will manage the bureaucracy of the Bureau. That isn't going to solve the problem.

Now, having said that, clearly I don't think you would be as involved as I am or as concerned as I am with all you have to do, but I would ask you, Mr. Secretary, if you would give this every consideration, and if I am right, would you seek to do something about it in a positive way with the Indian people and the national Government and the private sector?

Secretary HODEL. Yes, I will.

Senator DOMENICI. Thank you, Mr. Secretary.

Now with reference to one specific, out in my country we have a Navajo irrigation project. I bring it up not only because it is in my State, but it is a monstrous project. It is allegedly a living—Senator McClure, when I use "monstrous, 'he thinks that is the pejorative sense of the word. I merely mean that it is big.

We have committed to put 100,000 acres of land into irrigation for the Navajo nation in exchange for a 100-year-old water commitment that we made. I am telling you right here on the record and publicly that it isn't working right. Last year, I imposed on the Appropriations Committee for another $14 million. We still have 40,000 acres to put under irrigation. It is extremely expensive.

Mr. Secretary, the business management of the Navajo irrigation project by the Navajo nation in the past 10 to 12 years is beyond description, I would say abysmal. That doesn't even do it justice. Nonetheless, it appears to me that we have some responsibility. It loses more money than we can afford to loan. It doesn't seem to be making its way. Even when agriculture is good, it isn't.

I would ask you to pay particular attention to the efforts of the Navajo nation to reverse that trend, but to be tough. If the trend isn't getting reversed, I don't think we ought to continue to pour hundreds of millions of dollars into something that isn't going to work.

So, I am asking that you pay some attention to it, including the diversion. We are talking in excess of $250 million to $300 million, so it is not something that is just a particular pick of Pete Domenici. It is tremendously important. That is by way of just giving you my caveat.

Senator McClure will be glad to hear those words, since he has to fund it all the time. We have a problem in our State that you are aware of. You landed at an airport in a community called Rio Doso. It is allegedly a small airport that is about as dangerous as there is in the United States.

There is a proposal pending in your Department, the Department of Transportation, to transfer a very large parcel of land presently within your jurisdiction under long-term lease to the New Mexico State University for grazing experimentation. The proposal is to transfer that to Rio Doso so that we can build a new airport.

Mr. Secretary, most of us favor it. Your predecessor favors it. But I would ask if you would consider one other aspect as you evaluate it. New Mexico State University in good faith thought they had a long-time, permanent grazing experimentation station of a very high order involving very, very exotic research. They invested money.

We will ask them to give to you exactly how much they invested, and I would only ask if you would be willing to give us consideration in any transfer of the land to try to make New Mexico State whole in some way for what it has invested and would be compelled to give up if we get rid of this long-term grazing ranch and farm.

Secretary **Hodel**. Senator, yes, I will. You know, when I answer that, it is within all the constraints that we face with budgetary and other considerations. Within that limition I certainly would hope to be able to accommodate their concerns as well.

Senator **Domenici**. We have one other thing that is disturbing us somewhat. A number of Senators on this committee participated in the 1982 Royalty Management Act, which was directed at trying to cure some very obvious and patent misfeasance and possibly even malfeasance with reference to royalty accounting, with reference to both our Indian people and the Federal Government in terms of its entitlement.

Many of us believe that the regulations that now exist are far in excess of what the 1982 Royalty Management Act required. The present Secretary has permitted the Bureau of Land Management to start a review of the Federal oil and gas royalty management regulations with an eye to hearing from people like me and hundreds of others out there in the hinterland on some of the abuses and inconsistencies.

I would merely ask whether you intend to continue that review and to expedite it as your predecessor has committed to do.

Secretary HODEL. Yes, I will.

Senator DOMENICI. I may have a couple of others to submit in writing. Thank you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator.

Senator Melcher.

Senator MELCHER. Thank you, Mr. Chairman.

Mr. Secretary, just a question or two on what you have been doing recently in preparing the budget for the Department of Energy. What did you send up to the Office of Management and Budget as a recommendation for research and development on coal, newer coal technologies?

Secretary HODEL. I don't have those numbers in mind at this point. If you are referring to the original proposal back when we first submitted our budget to the OMB, like September, October——

Senator MELCHER. Yes, and then what happened after that?

Secretary HODEL. I can tell you in general terms, Senator, which I think is what your concern is. I made a proposal which was in line with what Senator Levin was asking me, an advocacy position on my part as Secretary of Energy for the kind of things I think we could spend money on in a worthwhile and useful fashion.

The budget process worked its magic, and the budget came back to me at a significantly lower level than that. I did some appealing, and won some and lost some, and have now a budget which is, I think, a responsible and respectable budget. It is not nearly as large as proponents of particular projects would desire.

Senator MELCHER. What did you have in it for MHD?

Secretary HODEL. Nothing.

Senator MELCHER. That disturbs me. You had nothing in it originally for MHD? You are well aware we are going to put some money in for MHD?

Secretary HODEL. Senator, we may have had a small amount of money for MHD in that original proposal, but it was not funded at the level at which it has been funded by the Congress in the last few years.

Senator MELCHER. That is $30 million, and that is cut down from about $70-some million.

Secretary HODEL. That is probably a more accurate number than nothing would be.

Senator MELCHER. It disturbs me, Mr. Secretary, because when you sat at that table—what year did you sit at this table before?

Secretary HODEL. It was 1982.

Senator MELCHER. 1982. You sat at that table and told me of your great interest in MHD and how you thought it was a promising technology, and you would consult with the industry and probably recommend some money for it.

Secretary **Hodel**. We have recommended some money for it, Senator. We have not recommended the money that the industry would like. We have a difference of opinion with the industry, as I know you are well aware, as to the amount that is viable.

Senator **Melcher**. When you say the industry, are you talking about EPRI?

Secretary **Hodel**. Well, I'm talking about the direct participants in the MHD project—I would think it would include EPRI.

Senator **Melcher**. You are talking about EPRI, aren't you, the Electrical Power and Research Institute?

Secretary **Hodel**. I used to serve on its board of directors.

Senator **Melcher**. And you don't take their advice or concern to heart any more?

Secretary **Hodel**. Senator, I try to listen to them as much as I can and take their advice into account along with the other pieces of advice I receive. In weighing in a tight budget where we ought to be putting our chips, it was my belief that we could not justify major expenditures on the development project for MHD at this time.

Senator **Melcher**. Which means never. But it is sort of a game. You know it is going to be put in, and it is a way of keeping the President's budget lower, knowing that Congress is going to do the right thing and put that R&D money back in, not only for MHD but for other high priority, very much needed coal research and development programs.

Secretary **Hodel**. Senator, the level of the budget I recommended was my representation of what I thought was a responsible budget level. I also recognized items in that budget would be cut, and when we came to the Hill, some of those items would be returned to the budget.

But it is, I think, important that we talk about the issue on MHD. Our view is that while EPRI feels strongly that they are at a point where they could use very much larger sums of money, I could not find a high enough priority.

It would be nice if we could afford to do it. I am not saying that MHD is a bad idea, but I just could not find the money for that project as compared to the other things we are doing in coal research and coal technologies.

Senator **Melcher**. If things happen like I think they are going to happen, and we either vote for you first for confirmation; or for Herrington first for confirmation; you will be out of that decisionmaking process anyway.

Secretary **Hodel**. That is right.

Senator **Melcher**. What I am concerned about really is, you sit there and tell us at the table what your concerns are and what you will do about it and whether we can look for that to happen after you get to be Secretary.

I think in this case we didn't find that to be exactly the case with MHD, but I would say that MHD isn't alone. It is other cleaner coal technologies that are involved, too.

But let's go on to what you might be involved in when you are confirmed as Secretary of the Interior. When you were just answering the questions of Senator Domenici about the straightening out of this mess on the regulations with MMS, isn't that mess right within the Department of the Interior?

Secretary HODEL. On the accounting and collections?

Senator MELCHER. I mean the regulations. The regulations I find are unworkable. That is what people tell me.

Secretary HODEL. It is my understanding, Senator, those regulations are up for comment. Hopefully the result of that comment will be the ability to revise the regulations so they are practical and they carry out the intent of the statute.

Senator MELCHER. You were there in 1982 when that bill was sent up here, were you not?

Secretary HODEL. I was there.

Senator MELCHER. So we found the bill, and I never really felt very comfortable with the bill, no matter how much we labored over it here and made some amendments that were recommended, and not enough, because we constantly found out that people down there thought they knew more about everything than anybody else in the field or anybody else in Congress.

Since you were there and in charge of the day-to-day operation, are you confident you can straighten it out now? I mean, you are a part—the real problem with the whole thing was down at the Department of the Interior, with people trying to write legislation who had no knowledge of how things worked in the field.

I am not professing to be that kind of expert myself, only I do profess to know to talk to people who are in the field and have to work with something we develop as legislation and the Department of the Interior develops in the way of regulations.

Secretary HODEL. Senator, the Secretary is in the same position. There is no way that the Secretary can know all aspects of everything in that department. Depending on the quality of advice I get, I am committed, as I think you know from our past involvement, to confer and consult. I would expect to do that in this case.

I have heard, probably not in the volumes you have, about how upsetting the regulations are. I would expect that would have a very salutory effect on those regulations.

Senator MELCHER. I have heard what you said to Senator Domenici, and I think perhaps you express similar—answered similar questions from other Senators in the same manner, and I hope you can do so. Let me ask you another question.

The CHAIRMAN. Would the Senator yield on that point?

Senator MELCHER. Yes.

The CHAIRMAN. I want to underscore that point. There are four members of this committee who have requested hearings with respect to the regulations, and I expect we will have those hearings.

Senator MELCHER. Thank you.

Secretary HODEL. Mr. Chairman, Senator, I assume that if I am one of the witnesses, I will be prepared in much greater detail on the subject at that time, too.

Senator MELCHER. Now, Mr. Secretary, what do you think you are going to do when you get to be Secretary of the Interior—and this is very important—about the scheme to start transferring scores of millions of acres of Forest Service land to the management of the BLM—that would be you—and some similar amount of BLM land management to the U.S. Forest Service?

Secretary Hodel. I hope, Senator, I can follow in the footsteps of Secretary Clark and participate in or have the Department participate in extensive discussions of the proposal. I understand it will require, among other things, legislation as well as administrative actions. There are many concerns that will have to be dealt with, but it is my understanding that what has begun here is a consultive process.

Senator Melcher. My advice to you is, and I give this very sincerely, but I will have to admit that it is personal, too, because it would affect me personally very much, don't waste your time on it. It simply isn't going to happen. I like all the people. I like the BLM director. I like the Chief of the Forest Service.

They both asked to have special words with me, and made a conscientious attempt to carry water for the administration on this, and I told them both, if you really sincerely feel that we should spend some face-to-face discussion time on this matter, I will be delighted to do it, just to do that, but it is a waste of time, and I don't want to pursue it, because I don't want to have to have so much of my time taken up on such a foolish venture which has absolutely no basis of preliminary discussion with the public.

If there is going to be such a massive transfer of administrative authority from the Forest Service to the Department of the Interior and vice versa, from the Department of the Interior to the Department of Agriculture, it will require a new commission to be formed from the public so that they could spend 2 or 3 years discussing with the public what would be involved in this transfer, and that hasn't been done.

I recall, as you probably recall, Mr. Secretary, that the Public Land Law Review Commission was formed, when, in the sixties, and we spent a half a dozen years talking to the public, holding public meetings all over the country, made a series of recommendations which Congress finally paid some attention to in the seventies, and enacted so-called FLPPMA, the Organic Act of the BLM.

But we did that only after a very long involvement with the public through the public meeting process, public hearing process, and finally knew which way to go. Now, to start this without the public involvement I think is a very foolish move and a waste of time on everybody's part.

I hope it can be stalled, stymied, forgotten about, buried, or go the route I suggested if you really want to pursue it, with the President appointing a high level commission of public people in the States involved and go through this whole process. It will take a long time.

Have you participated in an Executive order, in drafting up an Executive order for the President?

Secretary Hodel. No, I have not.

Senator Melcher. Has anybody?

Secretary Hodel. I believe there may be a draft Executive order that was prepared.

Senator Melcher. Do you know what was in it?

Secretary Hodel. No.

Senator Melcher. Do you know who was involved in that?

Secretary Hodel. I can make assumptions about what would be in it based upon what I understand about the general context of this proposal.

Senator Melcher. Do you know who was involved in drafting the executive order?

Secretary Hodel. No, not specifically. I assume it would be both the Departments of the Interior and Agriculture.

Senator Melcher. I see. What do you assume was in it?

Secretary Hodel. I assume it would contain some kind of direction from the President to proceed to the extent the departments can do so with some such consolidation or transfer or exchange or interchange.

Senator Melcher. Would it be some sort of interchange? Would it be something drafted directly to the personnel that would be involved, so that their rights would not be abused? In other words, if you are going to take a Forest Service employee with *x* number of years out of the Forest Service and put them in your department, they might have something to say about that, wouldn't they?

Secretary Hodel. Yes. Senator, it is my understanding that the considerations being laid out for discussion at this point are the very things you are raising. What does it mean to the personnel? What does it mean to the organization? What does it mean to the land involved in terms of management?

If what we are saying is, we can't do this because BLM forest is managed significantly differently than Forest Service forest, then I think we have to ask the question why we have drastically different policies on Federal lands which in some instances are immediately adjacent to each other. One ought to be better than the other, and we ought to adhere to that policy.

Senator Melcher. Mr. Secretary, you know as well as I do that where that sort of problem exists, that FLPPMA encourages the transfer of the land back and forth to block it up.

Secretary Hodel. I think the exchange of the land in principle sounds like a good idea. What we are going to encounter is whether or not it is workable and whether it would make good sense. I would hope that this is going to be viewed as an effort to rationalize the process by which those important resource areas are managed.

Senator Melcher. Mr. Secretary, rest assured that on the very points you just described, where the land is side by side, and people wonder why there are different regulations, or why BLM people are bumping into Forest Service employees, if that ever happens. I know that is said constantly. If it does ever happen, rest assured I am willing to work with both Secretaries to accomplish those transfers.

But that is not what is being proposed. I think the public should understand what is being proposed is massive transfers of management of massive quantities of land, not to just the neat blocking ups, but a massive shift which the public, I assume, is going to be greatly alarmed about, and furthermore, why it is a waste of time, because every time we start drafting these executive orders without public input, people wonder why, and become very suspicious.

I personally am suspicious, but I think I don't have to be very suspicious. I think I understand what this is. This is another scheme of trying to show how we can save *x* hundreds of millions of dollars that will never happen because it is based on a series of fallacies, and I dare say the savings will not ever be accomplished if it was allowed that we find x number of millions of dollars extra would be required to cover all of the planning process, all of the mixture of straightening out this and straightening out that, and rather than saving money, we would be spending more money. I guess I could call it waste, because this is truly waste. This would be all paper shuffling.

Secretary HODEL. Senator, I have not participated in this process.

Senator MELCHER. I am glad to hear that. I hope as Secretary you will refuse to participate.

Secretary HODEL. If I ever appear at this table again and you have to ask me questions, about what I represented to you today, let me emphasize that, in principle, it strikes me that it is something that merits attention.

You have listed a number of things you feel are fundamentally wrong with the approach. If that is true, it will not go anywhere, obviously.

If it is possible that we can accommodate those concerns and make the kind of interchanges that have been talked about, as I understand them in the broadest terms then it would be a beneficial thing that we ought to be able to reach a consensus on and try to move together on.

I think nothing more has been proposed at this stage than that we try to work together in an appropriate fashion in an appropriate forum to try to find out what of this can be done. I think there are those who are strongly in favor of it. They can state their cases. There will be those strongly opposed. They can state theirs.

Senator MELCHER. Could you get us whatever working form, whatever skeletal form or fleshed out form this executive order is right now?

Secretary HODEL. It is my understanding, which is apparently faulty, but it's my understanding that there has been briefings by both the Forest Service and the BLM about the elements of which they're talking. Whether that would indicate an executive order or simply indicate what the administrative actions are, I don't know.

Senator MELCHER. Mr. Chairman, have you seen the executive order in any form yet?

The CHAIRMAN. No, because it is my understanding from the briefings I have had that there is none. There may well be one developed.

Senator MELCHER. I don't mean finalized. I mean in some form.

The CHAIRMAN. I have had discussions with the Director of the Bureau of Land Management and the Chief of the Forest Service as to what elements might be covered in such a proposed order, and I have had the opportunity to discuss with them what I thought should and should not be in such executive order.

Senator MELCHER. There is a lot of different aspects of this, Mr. Secretary, but I think one that is very important immediately is the legitimate concern of long-term career employees on either side, and on just how and on what basis they are going to be on.

After all, if you work for 20 years or longer for the BLM or for the Forest Service, you like to know what status your job is going to be in under what Washington is trying to figure out for them now.

Secretary **Hodel**. Senator, I think the proper answer to them is that there would be no change in their status until and unless there has been substantial congressional involvement. Therefore nothing is going to happen immediately. If that is the worst concern they have then they have a very calm and comfortable life compared to most of us.

It seems to me that they can only begin to get a fix on what might happen once the discussion gets into that kind of detail in a public forum, as there will be.

Senator **Melcher**. All right. Thank you very much, Mr. Secretary. I hope you are successful not only with this latest scheme, but with the more pressing problems that the Department of Interior has now or will have under your stewardship. Thank you.

The **Chairman**. Thank you.

Senator Nickles.

Senator **Nickles**. Thank you, Mr. Chairman. I welcome Secretary Hodel. He has been before this committee, and I have found, Mr. Secretary, you have worked very well with this committee and with this Senator especially. I appreciate the cooperation you have shown over the last several years. I am very pleased to see that you will be the next Secretary of Interior, and I have a great deal of confidence that you will do a very fine job.

Having served in both Interior and in Energy, do you think we need both the Secretaries, or do you think we need departmental levels of Interior and Energy?

Secretary **Hodel**. Senator, we could structure the Government in a number of different ways. I have traveled the country for 2¼ years and have consistently commented that I did not favor abolishing the Department of Energy, but I thought that merger made a lot of sense. I haven't changed my view.

I have also gone on always and completed those answers saying that it was an idea, that we did not have a piece of legislation proposing it at the present time, and I thought it would be one of those proposals that would die for the lack of a second in the U.S. Congress if we could find somebody to introduce it.

Senator **Nickles**. I can tell you that this Senator will probably be working on some legislation to introduce it. Whether this chairman will let it get through is another matter. [Laughter.]

But anyway, I appreciate your comments and look forward to working with you and maybe receiving some input from you. I'm not interested in doing it for the sake of doing it alone. I would like to see if we couldn't come up with a merger of the two Departments and do it in a way where we can save a lot of the bureaucracy and hassle and maybe save some dollars at the same time.

We have eliminated, as you know, a lot of the regulatory functions of the Department of Energy, some of which I think were counterproductive, and you and the administration should be complimented for eliminating those functions.

Again, maybe this has more to do with your previous role or existing role I guess as Secretary of Energy. I know that you are familiar with the proposal that was submitted by Treasury as it relates to oil and gas taxation. I personally have some very strong reservations, or I'm strongly opposed to that, given the state of our domestic production, given the state of what it would do to the industry. I think it could be devastating to the industry, given the fact that we are now producing something on 2,400 rigs as compared to over 4,500 just a couple years ago.

I know you've looked at those proposals. Do you have any comments on those and what it would do to our energy security?

Secretary HODEL. Yes; in fact, I've tried, Senator, to be a spokesman within the administration for the proposition that the effect of the proposal by the Treasury Department, much less the imposition of the law that's proposed there, is to dampen investment interest in oil and gas domestically in the United States. This in turn has the effect—there is no argument it would not have the effect—of reducing the amount of drilling which in turn would have the effect of reducing the amount of domestic production, which in turn would have the effect of increasing imports, provided we didn't reduce our consumption. And there's no indication we're going to reduce our consumption sufficiently to offset the reduced production.

There is argument as to what the magnitude of those changes will be. You can get quite a debate going among economists over just what the change will be. It's a very complex system.

But I am satisfied that its trend is indisputable, that it would decrease the energy independence capability of the United States. I am a believer that the President is very concerned about that and is not likely to be supporting something that would have that effect.

Senator NICKLES. I hope that you would continue your efforts in communication with the administration to get them to modify the proposal.

Are you concerned that, given the fact that it would reduce production—and I, like you, have heard varying estimates. I've heard anything from 15 to 50 percent. I'm trying to look at the number of rigs and also our dependence. Are we still importing about 5 million barrels a day?

Secretary HODEL. That's a good rough number.

Senator NICKLES. That's probably the equivalent of what, $50 to $60 billion a year that we're spending for oil and oil product imports. I think that's correct.

Secretary HODEL. Roughly, yes.

Senator NICKLES. I think that concerns all people. They don't have to be from a producing State, I think, to share that concern.

I would encourage you to continue to try and let people know not just the tax consequences, but also the energy impact and energy security consequences of some of the proposals that are floating around.

Secretary HODEL. I hope to continue to do that.

Senator NICKLES. On one last related subject, and that deals with Indians and also particularly just to relate to you some comments that I have received from some of the tribal leaders in Oklahoma as it pertains to Indian health services. We're going to as a matter of fact have a meeting in the next couple of weeks in my State with several of the leaders, and I hope with a representative from Indian Health Services, to go over this.

But quite frankly, the complaint boils down to, they're spending a lot of money in bureaucracy and overhead and not enough in services. I would appreciate your taking a look at this or your Under Secretary when one is appointed for that position. I think that should be very high on their priorities, to try and see if some changes can be made.

Some changes were made, as you're probably well aware of, in the BIA that did restructure and give more authority back to the tribes, and many have commented that some of those changes were beneficial. Some of these tribal leaders think, likewise, that some reductions in the bureaucracy in Indian health services could be made that would be beneficial to the Indians, beneficial to the tribes, and could save the Government some money at the same time.

And when we have that type of combination, I would like to see it—see some attention given to it and see if we can't help it along.

Secretary HODEL. Thank you, Senator. I'll try to do that.

Senator NICKLES. Just one caveat to this. There was also a task force that put together far-reaching recommendations on Indians, too. Are you familiar with that?

Secretary HODEL. The Presidential commission, yes. I'm generally familiar with it. They made quite a number of recommendations which have gotten mixed reviews from among the tribes. The conversations I've had with the representatives of Indian nations is that they should try to give us their best estimates of which of those recommendations they like, which they dislike, not a blanket rejection, but really give us an evaluation. This would be very helpful for me and for the new Assistant Secretary for Indian Affairs so that we can get a feel for where we can make some positive moves.

Senator NICKLES. I certainly echo your comments and pledge my commitment to work with you in that regard. We have Indian leaders in my State. We have 27 tribes and we have people on both sides of that task force. But I can't help but think there are a lot of recommendations made in the task force where we can come up to some type of consensus on that would be positive, maybe not the entire bulk of recommendations.

But I look forward to working with you and the new Assistant Secretary. Do you have a date or time for the Assistant Secretary to be named?

Secretary HODEL. No, I do not. In fact, I have indicated that I hope to have the opportunity to consult with representatives of Indian tribes as broadly as I can before I make a recommendation to the President. I think it's important that the person have not only ability but stature to be able to do the kind of consensus-building work that's really required in some of these areas.

Senator NICKLES. I certainly would agree with that, and I would hope that that process be expedited as much as possible, because there are a lot of important things—I mentioned Indian Health Services, and some other services as well—that I think we could help Indian people with. And as soon as that position is named, I think it would help that process along.

Thank you very much.

Thank you, Mr. Chairman.

Secretary HODEL. Thank you.

The **Chairman**. Thank you, Senator.

Let me assure the Senator that if there is any proposal made by any member of this committee, or indeed any Member of the Senate, with respect to reorganization, it will get respectful consideration. The only caveat I have laid down is that any such proposal must show some logic in terms of the administration, some savings with respect to the cost of administration, and not unduly change the emphasis that we have upon effective management of the areas Government is involved in and will remain involved in in the field of energy.

So far, the proposals I have seen have not met those tests, or at least I have not been convinced that they have. But that is not to say that such a proposal might not be made or that indeed somebody could convince me that the tests have been met.

Senator **Nickles**. I appreciate the chairman's comment and I look forward to working with you in that regard.

Secretary **Hodel**. Mr. Chairman, would it be appropriate for me to comment on that?

The **Chairman**. Certainly.

Secretary **Hodel**. I think it is appropriate for me to respond both to the comments you've made, and the question Senator Nickles asked me previously. John Herrington and I were requested by the President, at the time he indicated to us that he wanted to nominate us for these proposed positions, to take a look at and study what possible merger approach might be taken, or whatever other organizational structure might be appropriate for these two Departments. He asked that if we could identify something that was not only good but that could be perceived as good, to make the recommendation as to what his options might be.

Now I think my prior comments indicate, Senator Nickles, that I've not, in the 2¼ years I've been here, been able to identify a proposal which would be perceived as good. I think I might have some that are good, but perceiving them as good is a different story. That may very well affect what our recommendations could be to the President.

The **Chairman**. I think there is another consideration. That is, that such a decision, if indeed it is to be made, ought to be made quickly. There is, as the Secretary knows, a great need within the Department of Energy to know what its future is.

I am sure that you found when you became the Secretary of the Department of Energy that that was a very great problem for you to cope with. The surfacing of reports again that the Department continues to be under some kind of a deadline for extinguishment or merger does damage the capacity of a Secretary to administer the programs which must be administered. I think that you are acutely sensitive to that, having gone through that.

Secretary **Hodel**. Senator, Mr. Chairman, I've worked very hard from my earliest days at the Department of Energy to lay to rest the concern I know was felt by the employees. I've continued to do that while continuing my general support for the concept.

I think I've made it extremely clear to the Department of Energy employees, as I think John Herrington will do if he is confirmed as Energy Secretary, that this is not a concern that should be high on the worry list.

The **Chairman**. I think Mr. Herrington signaled that in response to questions yesterday. It was not a question I asked but a question others asked, and he went to some pains to say that he was not under any mandate from the administration to dissolve the Department or to merge it, but he's here to be an administrator and manager for the longer term and not for the shorter term.

Secretary **Hodel**. I have the same understanding.

The **Chairman**. Before proceeding in the second round, let me again make an announcement I made earlier, that it is the Chair's hope and expectation that all questions to be submitted to the Secretary for his response in writing will be submitted before the end of business today. We will transmit them in a timely fashion to the Secretary for his responses in writing by Monday, so that members of this committee and other interested parties can examine those responses before our business meeting on Tuesday.

I think everyone is aware that the Senate will be in recess at the end of next week, and if we are to be able to act upon the confirmations we must be able to do so in a timely fashion next week. Otherwise, it will necessary go over until after the recess, and there is nothing quite so damaging as prolonged periods of uncertainty. I therefore hope that we'll be in a position to act upon these nominations at our business meeting on next Tuesday.

Finally, it is not the purpose of the chairman to respond to every comment or suggestion that has been made by other Senators in their remarks or implied by their questions, but I do want to make two comments at this time and then ask a couple of questions of my own on an area which has not yet been touched.

One is with respect to Senator Domenici's concern about the Navajo irrigation project. He is entirely correct that I as chairman of the Interior and Related Agencies Subcommittee of the Appropriations Committee had to be persuaded that it was wise, not from just the national standpoint but even from the standpoint of the tribe, to continue the expansion of that project. If a project is losing money badly on every bit of its operations, why make it worse by expanding it? It is a little like the cattleman who is asked how he can survive when he sold every steer at a loss and he said he made it up on volume.

You don't make your situation better. As a matter of fact, every acre that's irrigated costs you money, and the past track record of that irrigation project has been that it is a money loser for the tribe and it is a money loser for the Federal Government.

However, I was persuaded that the tribe had made very major changes in their approach to the management of that project and I did go along with Senator Domenici in his request that we fund that project for its next increment. But I think the burden is on the tribe to show that we are not doing them a disfavor by putting them in deeper in what so far has proven to be a losing proposition.

The proof is not yet in and I wish them well. I hope indeed their changes will produce a change in the profit-loss picture on that project.

Mr. Secretary, you and I have had the occasion at times in the past, although not very recently, to talk about the United States responsibility in the Trust Territory of the Pacific Islands. That question is before us again as we have been negotiating compacts with the several entities which are involved for the future status of those areas. The negotiations have been completed in some instances and are not yet completed in all.

Do you know when the administration plans to submit the compacts of free association to the Congress?

Secretary HODEL. No; I do not, Mr. Chairman. I don't know why they're not submitted now, so I don't know what the process is that they are going through.

The CHAIRMAN. There are two concerns which flow from that. It's a difficult process for the peoples themselves to address, and they feel very strongly that, having gone through the process to make the hard choices that have to be made and exerting the leadership that was necessary in order to get what they and we believe was a favorable result in those negotiations, that now months and months and months must pass before it's submitted to the Congress for ratification.

I think it would be fair to say to you, Mr. Secretary, one of the major reasons for delay is that we are not yet satisfied what our response would be in post-compact administration of our responsibilities in relation to those entities. There is the usual contest for turf between administrative agencies, but it's more than just turf. It is our relationships with peoples, it is our relationships that are affected by commitments which we have made, and a responsibility to the taxpayers of this country that we can effectively administer the millions of dollars that will be involved as a result of obligations undertaken by our Government under those compacts.

As you perhaps know, a portion of our responsibility will be placed in the administration of what are essentially domestic type programs under laws now in existence which we have extended to cover those territories and the benefits which are available to the peoples of those territories. I am utterly convinced and have attempted to convince the administration that the State Department doesn't have any experience and certainly doesn't have a notable track record with respect to their ability to administer those kinds of programs in that fashion.

I recognize that there is the desire on the part of both the State Department and in certain elements elsewhere to have an arm's length relationship which makes it appear that we are dealing with another Nation in exactly the same way we deal with all other nations. But other nations don't have U.S. domestic type programs to administer.

And this hiatus, this long timeframe which we're involved in, also leads to things like an appropriations rider that forbids the stationing of U.S. State Department personnel in the area as we would in other areas. In spite of that, under different guise, the State Department is stationing personnel there as a preamble, to be their preemptive presence in those areas. That situation shouldn't be allowed to continue for long.

And the second reason for delay, I suspect—but I cannot put my finger on it except by looking at evidence—is that the OMB is still playing the same kind of games they play with many projects or proposals. That is, we don't want to fund the commitments that were made.

Yes, we have a very serious deficit problem, but if we have entered into a compact which the Congress is to be asked to approve, which says to those people we will do certain things, including expending certain moneys and making certain moneys available, I don't think that's an OMB option any longer.

And if indeed they are serious, if the administration is serious about asking us to ratify a compact that has those commitments in it, the administration should be honest enough to say we are going to meet that commitment. I don't think the administration can have it both ways.

I suspect, Mr. Secretary, you're not necessarily fully aware of all those problems as will be presented to us and to you.

Secretary Hodel. Not in the detail necessary to give a satisfactory response, Mr. Chairman. I too believe that you are correct with regard to the desire of the administration to have the Department of State be the responsible party. I do understand that it is a matter that is not agreed to by the Congress, and it may very well be that is a factor in the delay.

Certainly, on the second point of the delay, I think you know me well enough to know that I am not inclined to play those kind of games. I do not think that's an appropriate thing for us to do. If we have a commitment we ought to be trying to meet it.

The Chairman. Mr. Secretary, one of the ways in which you can demonstrate that is to make certain that there is an Assistant Secretary for Territorial and International Affairs, that that is a real job filled by a real person with real responsibilities and with a real relationship with you, and not just a paper relationship.

Secretary Hodel. Mr. Chairman, I have been impressed by what I have seen and heard about the present Assistant Secretary in that position. I take it your comment to me was no commentary on his position, but rather upon the relationship you would hope he and I would have?

The Chairman. That's correct; and the authority that he would have and the way in which that authority might be protected, both in the interim between now and the approval of the compact and hopefully post-approval of the compact. I feel very strongly, as do others. I'm not the only one. Senator Johnston has cooperated fully and shares with me the feeling that indeed you can't simply pass a compact and have an arm's length position that is as with every other nation under a special relationship negotiated in the compact and then say OK to the State Department, you administer your affairs like we do with Russia.

I have great respect for the boys in stripey pants, but the administration of domestic type programs is neither within their responsibility nor their area of experience, and I expect we would have a miserable time of keeping track of how those moneys would be expended where we have ongoing responsibilities under the compact and the taxpayers have to pay the bill.

And I guess I would come down to very nearly the kind of advice Senator Melcher gave you in a different area: Don't try it. It isn't going to work. Don't waste your time discussing it, because we're not going to approve it. I have tried to say that, and the State Department, with its negotiating skill, never takes an answer like that if they don't like it. They just wait you out, and I think that's what they're attempting to do.

In this instance, I hope you will—I hope they're listening and I hope you will convey the message. They shouldn't keep on wasting our time with that kind of stall.

The **Chairman**. Senator Bumpers.

Senator **Bumpers**. Mr. Secretary, Senator Levin asked you about the privatization of the public lands. But let me just ask you a general proposition. Occasionally, we're asked around here to vote on giving or selling land to a city, for example Reno or Las Vegas. And Nevada is always strapped; I understand that and I've always been sympathetic to it. I don't have any quarrel with that and I'll continue to try to be sensitive to the real needs where public lands are involved.

But as a principle of privitization of public lands to try to balance the budget, do you agree with that as a concept or a philosophy?

Secretary **Hodel**. Senator, I don't think it even has practical application. I don't think that if you took all the public lands and could sell them at their appraised value you would solve the problem.

It was my impression, my interpretation of the history of land policy in the United States, that when we opened the country, there was a tremendous push to privatize that land. We eventually had homestead acts which gave encouragement to settlers because we were opening a new frontier.

As time has gone on, the national view has obviously shifted. Lands have been moved into special areas, parks, wilderness, refuges, and the like. I believe that FLPPMA represented a landmark decision by the U.S. Government, which is, we would no longer seek to dispose of land; we would seek to manage it.

Part of management may be transferring land to other governmental entities. It may also be, in given circumstances, selling appropriate land. I don't have a list and I don't have a concept that there is a vast amount of national land that is targeted appropriately to be put on the block, so to speak. I would not want to foreclose my opportunity as Secretary of the Interior to come to this committee or the Congress and say, I think here is an opportunity that makes sense, here is why, and present it.

Senator **Bumpers**. I appreciate your answer.

I remember Assistant Secretary Crowell came into my office with a map of my State all colored up—red, green, and so on—to show me what Federal lands were going to be posed for sale in Arkansas. Most of it was being sold just so they could straighten out the lines and that was supposed to be a management tool. That was very unsettling to me to think that was the concept. I appreciate your answer.

Secretary **Hodel**. Senator, I participated in past calculations in an effort to identify lands which could be privatized. The vast proportion of the land that is in the Department of Interior's management is not marketable. The reason it still is in the hands of the U.S. Government is that it did not have a value.

Senator **Bumpers**. That would be a good reason for not selling it—there wouldn't be any buyers.

Secretary **Hodel**. In fact, our calculations of the potential earnings from such sales were not very large. That is why I made the statement I made earlier. I think we're past that stage. I think this administration has looked at that opportunity and obviously has concluded that it does not exist, as it was originally thought possible. I think we're at a position now where I hope we can work toward concensus on some of these broader issues because we're going to have trouble with consensus on some of the specifics always.

Senator **Bumpers**. Well, I appreciate your answer and your attitude on that subject.

Let me ask you something that's really more related to your present job as Secretary of Energy than Interior. I just want to make a record on this. Nobody else seems hesitant about talking about provincial interests they have back home. I went into this with John Herrington yesterday and I'd just like to state a situation I think you're very familiar with, but I want to be sure the record reflects it and I want to be as accurate as I can be in stating the case.

As you know, the Public Utility Holding Company Act of 1935 prohibits any utility holding company from building a generating facility. There aren't many. I think there are three or four public utility holding companies left in the country. As you know, under Federal law, any sale of electricity across State lines is subject to exclusive jurisdiction of the Federal Energy Regulatory Commission to set the rates on wholesale and interstate commerce sales.

Now do you think there is a gap in the law where a utility holding company can build a generating facility through a subsidiary and then impose the cost of that facility on its subsidiaries who are in other States, and that be determined to be a wholesale sale of power in interstate commerce, therefore circumventing the State public service commissions of the States involved?

Does that sound fair to you just on the surface of it? I've said it as fairly as I know how.

No. 2, if it doesn't would you support legislation to redress that inequity?

Secretary **Hodel**. Senator, on the face of it it does not sound equitable. However, as I know we are all aware, the resolution of an issue of that type is not amenable to a simple straightforward statutory solution. I attempted to address in a speech to the National Association of Regulatory Utility Commissioners last fall some of the concerns that I have in this area—concerns I have had as Secretary of Energy.

I presumably will not be pursuing these with quite the same intensity, but my concern was that there is either an overlap or a gap in the regulatory process which is not achieving equity; in some cases to ratepayers, in other cases to investors in the utility industry.

If we continue on the course we are on, where a utility begins a project, believing it is needed, gets approval to proceed, and when it is finished it no longer appears to be needed and therefore they cannot collect for it, we will destabilize the investment in utilities. Someday we as a nation won't have the resources we ought to have.

So I have raised the question, I am not opposed to seeking legislative solutions——

Senator **Bumpers**. I understand what you're saying.

Secretary **Hodel** [continuing]. I just am not satisfied that I could comment effectively on a single legislative solution to a piece of that problem. But it is a problem that merits attention because what has happened to the utility bargain is that it has been shifted. There used to be limited return for limited risk. In some cases it has become very high risk to both ratepayers and to utility managements.

Senator **Bumpers**. You're saying if all the subsidiaries had participated in the beginning, that's one thing, the ratepayers would just have to accept it. But they didn't. It was only after it was obvious that the company was in trouble with this plant that there was a forced requirement on people who had nothing to do with the decision, who as I said yesterday, couldn't use the power if their life depended on it, and yet are going to be required to pay increased rates of 25 to 50 percent, which is economically devastating to the states involved.

Secretary **Hodel**. We have also raised a question, Senator, of whether or not there continues to be an appropriate role for the Federal Energy Regulatory Commission in that kind of rate review. Rather, we should consider whether that might be better delegated to the States, which might be another means of approaching your problem.

Senator **Bumpers**. It seems to me that this was an obvious effort—I might say, successful—to circumvent the State Public Service Commission's input into the rates, whether we need the power or anything else. If anybody who owns a bunch of utilities can just go build a plant and dole out an allocated share of that plant, and then go to the Federal Energy Regulatory Commission and say we want you to set rates, and the States have nothing to do with it, even though they are the ones having to pay the bill, it just seems to me that that is a very serious problem with existing law, if that is in fact the law.

I am not at all sure that is the intent of existing law, but I am not going to get into the judicial part of this.

Let me ask you finally one last question. Senator Percy and Senator Culver and I worked very hard during the time we were debating the mine reclamation bill to make sure that prime farmland was returned essentially to its previous productivity before it was mined. There is a grandfather clause in that bill I think that exempted prime farmlands that were mined or planned to be mined or substantial efforts have been made to mine prior to August 1977. There is also a concern, of course, as you know, particularly among environmentalists, that the Office of Surface Mining is just simply turning its head, that the laws aren't being enforced, and especially in the area of prime farmlands.

We have been voting here on sodbuster bills and all kinds of things to try to keep fragile lands from being put into production, but it is equally important, in my opinion, that this law be very vigorously enforced, especially as it pertains to prime farmland. We are talking about the best farmland in the United States, and it can be done.

I was out in Montana about 3 months ago, and I saw what the Montana Power & Light Co. coal mining subsidiary was doing out there. And it was a very impressive, remarkable reclamation, very expensive, but in the long run necessary that we do it.

I wanted to ask you if you are familiar with all the criticism that OSM is under right now, and are you familiar with the prime farmland provisions of that act?

Secretary **Hodel**. I am generally familiar with the provisions of the act. I also understand that there was what was called the lost harvest report which was critical of the Office of Surface Mining's performance in the prime farmlands' work. But what I am not conversant with is what steps have been taken since that report and the other criticisms calling for OSM to upgrade its performance. Corrections would seem clearly to be required in this and perhaps some other areas.

Senator **Bumpers**. It is, I hope, your intention to vigorously enforce the Mine Reclamation Act through the Office of Surface Mining?

Secretary **Hodel**. It is, Senator, and again, I hope that while it is clear from my history as Secretary of Energy that I do not always agree with everything that Congress would like to have us do, that if Congress makes plain——

Senator **Bumpers**. We are in agreement on that.

Secretary **Hodel**. If Congress makes plain what it wants done and gives that mandate, I have tried to be responsive to that to the best of my ability. I would expect to do that with regard to these issues.

Senator **Bumpers**. Mr. Secretary, the revenues in OCS have been declining. In 1983, revenues from royalties on the Outer Continental Shelf were over $10 billion and in 1984 were about $6½ billion. Why is that decline occurring?

Secretary **Hodel**. Because of, in my estimation, several things. First of all, there has been a declining price of oil in the world which has had significant beneficial effects in this economy, and I think there are expectations increasing on the part of investors in oil and gas that the lower price may be of unknown duration and continue longer than what we thought would be the case in the past.

Second, I believe that the level of return for the investments in the Outer Continental Shelf has not been as good as was expected at the time of the higher bonuses. When the higher bonuses were being received, we were living in a period when the Department of Energy was predicting oil price rises to $75 to $125 a barrel by the early 1990's. That meant that since it takes years and years and years to develop a resource on the Outer Continental Shelf, you could invest large sums of money in the expectation of finding large volumes of oil and gas because the prices would be sufficient.

I think, if you examine what I believe are reliable reports, that the returns on investment in Outer Continental Shelf have not been as good as the investments on land. That is going to have an impact on investment over time.

Further, I think the increased controversy over what is and what is not achievable on the Outer Continental Shelf has had to have a chilling effect.

Senator **Bumpers**. You mean from an environmental standpoint?

Secretary **Hodel**. From a moratorium standpoint and from the permitting standpoint. It may be environmental and it may be some other aspects of State requirements or Federal red tape. It may very well have been such. So the combination of these things, a dropping price, a more uncertain future, better returns in other places, difficulties in obtaining permits and great length of lead time have all had a chilling effect on that activity.

Senator **Bumpers**. It is my understanding that in the past the land and water conservation fund, and historic preservation, have been funded with the Outer Continental Shelf revenues. It is my understanding the administration is going to ask for nothing for historic preservation and for land and water conservation fund for 1986.

I don't know, I feel so strongly about those two programs, and the effectiveness of those programs, I have a hard time, as badly as I want to cooperate in this deficit reduction ordeal which we are going to have to go through, but one of the things I had thought about was possibly putting some of that money in the trust fund and using some of the interest for land and water conservation and for the historic preservation trust, and by so doing, you are really putting nonrenewable money into a renewable resource.

What do you think about that?

Secretary **Hodel**. Senator, I would like to find sources of money which didn't adversely affect the deficit, obviously.

Senator **Bumpers**. I don't think we can do this in 1986. I think the die is cast temporarily on what we have to do here, but I mean as a concept, does that sound fairly plausible and feasible to you?

Secretary **Hodel**. What I would like to achieve—and I don't know that it is ever possible—is some certainty. It seems to me that the administration has come before this committee and the other committees of Congress with zero or very low amounts of money. Congress has come along and said, no, we should put more money in. I've had the same issues, frankly, at the Department of Energy in certain programs where I've come in with very low dollar amounts. It is destabilizing to the people in the program within the Government, it is destabilizing to the people in the State programs, for instance, on weatherization. I would like to stabilize those now at some agreeable level so we don't have the roller coaster effect.

In this case, in the case of historic preservation, I remember when I was at the Department of the Interior previously I worked vigorously with the Department of Treasury to obtain a 25 percent tax credit which in preparing for this hearing I found has helped stimulate—I am sure it would have been a good investment anyway—$70 billion investment by the private sector.

Senator **Bumpers**. Most of that would not have been done without the private sector. There's a lot going on in my State, and it's all good, as far as I'm concerned.

Secretary **Hodel**. What's pleasing to me about that, Senator, is it means the investment decision is being made by private individuals who have some incentive. They are making the decision instead of establishing a large bureaucracy which is going to run around and look—in the State of Arkansas, for example—for things it wants to spend its money on, which in the long run I don't think is very productive. So I would like to see some stabilization.

Senator **Bumpers**. Well, I take it you're supportive of both of those programs?

Secretary **Hodel**. I am supportive.

Senator **Bumpers**. It is just a question of money with you?

Secretary **Hodel**. It is a question of money, and it is a very difficult one.

Senator **Bumpers**. Thank you, Mr. Chairman.

Thank you, Mr. Secretary.

The **Chairman**. Senator Warner?

Senator **Warner**. Thank you, Mr. Chairman.

Mr. Secretary, we Americans are grateful to you and your lovely wife for your willingness to return to the public scene and stay on.

You will become the Chairman of the Cabinet Council on Natural Resources? Is that a reasonable expectation?

Secretary **Hodel**. Nothing definitive has been said, Senator. I think the general assumption has been that the Secretary of the Interior will chair that Cabinet Council.

Senator **Warner**. Among the issues—a very important issue that this Council will deal with would be that of acid rain. I think the administration has adopted a balanced approach. What would be your recommendations on that subject in the coming years?

Secretary **Hodel**. Senator, I have testified in behalf of the administration's position on acid rain. I accompanied Mr. Ruckelshaus on a number of occasions. I supported the decision the President made. I believe that we are taking a very responsible and proper approach to that issue. As we get additional information, it becomes increasingly clear that the cause and the effect are not all that clear, and it may well be a more complex issue than we thought even a year ago or especially 2 or 3 years ago.

For this Nation to commit multibillions of dollars at the cost of energy for our citizens and for our industries, rendering them less capable of competing internationally without being on the right course would be a very severe and erroneous decision to make.

The concern over acid rain I understand. It is a concern that is deeply felt, particularly in some regions of this country, but it does no good, in fact, to spend the money on the wrong issues. I think we need to be confident that we are doing the right thing before we proceed.

Senator **Warner**. Because those costs would be passed on to the consumers.

Secretary **Hodel**. Somehow; either as ratepayers or taxpayers, the American consumer is going to pay the bill for everything, and we need to recognize that. There is no free lunch in this situation. If we impose it on the ratepayers of the utilities involved, the industries and the people working there will be affected, and that will affect all the rest of us just as drastically as if it were in our own backyard.

If it is spread to all the taxpayers of America, it has a dampening effect on the economy of this country.

Senator **Warner**. It is likely, absent some major breakthroughs in the factual data base, that you will continue to recommend the policy that is now in place?

Secretary **Hodel**. If at any time it becomes clear as to the cause, the effect, and the probable useful cure, I am convinced the President will move quickly to see that we propose and support that activity.

Senator **Warner**. Thank you very much.

Thank you, Mr. Chairman.

The **Chairman**. Senator Wallop.

Senator **Wallop**. No.

The **Chairman**. I know of no other questions to be asked of this witness at this time.

There will be some questions submitted for the record for response in writing, but before releasing the Secretary, because I know there will be some confusion immediately following that, as people who have been interested in his testimony will also seek to leave the room, I would like to announce that we have a number of people who have sought entry to this room, and there is not enough room for everyone here. That included some of the witnesses who are on today's list to testify who for some reason were not known to the guard and who were not able to get into this room. Some have been in the alternate sound room, the other room in which the sound is available.

Let me say very categorically, I apologize for that inconvenience to them. It was inadvertent. It will be necessary for us as well to have a short break now for the benefit of our reporter. We sometimes forget that these folks sit here hour after hour with no respite at all, and we have now been in session for 3½ hours. In order to give her a slight break and while we are readjusting the hearing room to accommodate those who have been outside and those who now will no longer want to stay, we will have a short break to be followed by the first panel of witnesses.

Panel No. 1, Mr. J.W. O'Meara, executive vice president of the National Water Resources Association, and Jack Nickels of Fort Peck, MT.

Before taking that break and while those people are preparing to come forward to testify, let me suggest that we have a number of letters of support for Donald Paul Hodel in this matter, and those letters will be made a part of the record at this point.

Western Oil & Gas Association; Allied Corp.; Americans for Energy Independence; California Energy Commission; Fond Du Lac Reservation Business Community; a joint letter from the National Cattlemen's Association; the Public Lands Council; and the National Wool Growers Association; Mr. Lee Dallager of Des Moines, IA; the Honorable Dave Durenberger, Senator from Minnesota; United Four Wheel Drive Association; the New England Conference of Public Utilities Commissioners; United Mobile Sports Fishermen, Inc.; the American Indian National Republic Federation; and the Association of California Water Agencies. Those letters will all be made a part of the record at this point.

[The letters follow:]

Western Oil and Gas Association
727 West Seventh Street, Los Angeles, California 90017
(213) 627-4866

Official Committee File

January 30, 1985

FEB

Senator James McClure
Chairman, Senate Energy
and Natural Resources Committee
Dirksen Senate Office Building
SD-361
Washington, D.C. 20510

Dear Jim:

President Reagan has nominated Donald Paul Hodel to succeed Bill Clark as our next Secretary of Interior. We are writing to convey our unreserved support for Mr. Hodel's nomination.

Since he was appointed by the President and confirmed as Undersecretary of Interior in 1981, Mr. Hodel has repeatedly demonstrated his comprehensive understanding of the importance of adequate supplies of energy to the prosperity of the United States. Indeed, as Secretary of Energy he has been unstinting in his advocacy of finding and developing domestic energy resources, so that we will never again suffer the dislocations and international embarrassment of depending upon foreign nations for our basic energy requirements.

On many occasions we have discussed the problems of the west coast petroleum industry with Mr. Hodel, especially those connected with OCS development. We have always come away from those meetings reassured by his keen intellect, his quick understanding of those problems and his suggestions for their solution.

California and Alaska will become increasingly important in supplying energy to the United States. At the same time, the production of these supplies will become more difficult because of the physical and political complexities associated with their development. Hence, it is clear that the policies of the Department of Interior, which controls so much of this development, must be placed in the hands and mind of a truly remarkable person.

We believe that person to be Donald Paul Hodel.

Sincerely,

Arthur O. Spaulding

Arthur O. Spaulding
Vice President and
General Manager

AOS:BLM

ALLIED

Allied Corporation
Suite 700
1150 Connecticut Avenue, N.W.
Washington, D.C. 20036
(202) 296-3980

Frank
FYI

SENATE COMMITTEE ON
ENERGY AND [illegible] RESOURCES
RECEIVED
JAN 31

January 29, 1985

The Honorable James A. McClure
361 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Mr. Chairman:

I am writing you pertaining to the pending confirmation hearings of Donald Hodel as Secretary of the Interior. I have had the pleasure of working with Mr. Hodel in his Secretary capacity at the Department of Energy and find him to be a most honest, concerned, bright public servant who listens to all sides of an issue before making a decision.

I believe Don Hodel has been an excellent Secretary of Energy and urge your support of him for Secretary of the Interior.

Sincerely,

Jim Rubin

James S. Rubin
Director, Legislative and
Regulatory Affairs

JSR/ar

americans for
energy independence

Chairman of the Board	Dr. Hans A. Bethe
President	Mr. J. C. Turner
Chairman, Executive Committee	Mr. Robert R. Nathan
Treasurer	Hon. John N. Nassikas
Counsel	Mr. Grenville Garside
Executive Director	Dr. Elihu Bergman

BOARD OF DIRECTORS
DR. ELIHU BERGMAN, Executive Director
Americans For Energy Independence
DR. HANS A. BETHE, Nobel Laureate
Cornell University
MR. MARVIN J. BOEDE, General President
United Association of Plumbers
and Pipefitters
RIGHT REVEREND JOHN H. BURT
Episcopal Bishop of Ohio
MR. EDWARD J. CARLOUGH, President
Sheet Metal Workers International Assn.
MR. JOHN T. CONWAY, Exec. Vice President
Consolidated Edison of New York
MR. FRANCIS P. COTTER, Vice President
Westinghouse Electric Corp.
MR. CHARLES B. CURTIS
Van Ness, Feldman, Sutcliffe,
Curtis & Levenberg
Former Chairman, Federal Energy
Regulatory Commission
DR. DANIEL A. DREYFUS, Vice President
Gas Research Institute
MS. EVELYN DUBROW, Vice President
International Ladies Garment Workers Union
MR. SAMUEL GOLDBERG, Vice President
Inco United States, Inc.
DR. LAWRENCE A. GOLDMUNTZ, President
Economics & Science Planning
DR. MELVIN B. GOTTLIEB, Director Emeritus
Princeton Plasma Physics Laboratory,
Princeton University
MR. HAROLD GREENWALD
Danziger, Sengser, Klipstein,
Goldsmith & Greenwald
MR. CHARLES W. JONES, President
International Brotherhood of Boilermakers
MR. JOSEPH D. KEENAN, President Emeritus
Americans For Energy Independence
MR. GEORGE H. LAWRENCE, President
American Gas Association
HON. MIKE McCORMACK
McCormack Associates, Inc.
Former Congressman
HON. JOHN N. NASSIKAS
Squire, Sanders and Dempsey
Former Chairman, Federal Power
Commission
MR. ROBERT R. NATHAN
Consulting Economist
MS. LAUREL PARKER
Director of Association Activities
Southern California Edison Co.
HON. ENDICOTT PEABODY
Former Governor of Massachusetts
MR. CHARLES H. PILLARD, President
International Brotherhood of Electrical
Workers
MR. WOODRUFF PRICE, Vice President
Government Relations
CSX Corporation
MR. JAMES T. RAMEY, Vice President
Stone & Webster Engineering Corp.
MR. BAYARD RUSTIN, President
A. Philip Randolph Institute
DR. ARNOLD SAFER, President
Energy Futures Group, Inc.
MR. JOHN A. STEPHENS, President
Excel-Mineral Co.
MR. J. C. TURNER, General President
International Union of Operating Engineers
MS. MARGARET BUSH WILSON, Chairman
NAACP

January 29, 1985

SENATE COMMITTEE ON
ENERGY AND NATURAL RESOURCES
RECEIVED
JAN 31 1985
WASHINGTON, D.C. 20510

The Honorable James A. McClure
Chairman
Committee on Energy and Natural Resources
U.S. Senate
Washington, DC 20510

Dear Mr. Chairman:

Although Americans For Energy Independence has not requested an opportunity to appear before you to express our views on the nomination of Don Hodel as Secretary of the Interior, we would like to express our support and confidence in his capability for assuming these important new responsibilities.

We do so on the basis of his performance as Secretary of Energy, and in all frankness, we do so with mixed feelings. AFEI has enjoyed a close and constructive relationship with Secretary Hodel and his associates during his tenure. To his credit, this relationship was largely the result of his initiative in reaching out to the various public constituencies and associations, such as AFEI, to learn of our concerns and ideas. This capability for outreach to the public is the key test of a public servant, and Secretary Hodel has achieved it with flying colors.

In the highly complex political and technological environment of energy policymaking, as you well know, it is not easy to see everybody who wants to be seen and all those who want to be heard. But whatever our views, and however they may have differed from his, Secretary Hodel's door was always open to us and the other public organizations.

As the chief of national energy policymaking, Secretary Hodel has understood the pervasive role of energy in our economic system and national security, and the need for the government and the public to maintain a concern about it. One of the major contributions of his tenure has been his constant admonitions, as principal energy spokesman for the government, that the nation has not completed a transition to a secure energy system, and that there is more work to be done.

1629 K Street, N.W., • Washington, D.C. 20006-1619 • (202) 466-2105

It is reassuring that Secretary Hodel, both as Secretary of the Interior and as Chairman of the Cabinet Council on Energy and National Resources, will continue to play a role in energy policymaking. The nation will continue to profit from his experience and capabilities.

We are sorry to see him go; but we wish him well.

Sincerely,

Elihu Bergman
Executive Director

EB:hm

STATE OF CALIFORNIA—THE RESOURCES AGENCY GEORGE DEUKMEJIAN, *Governor*

CALIFORNIA ENERGY COMMISSION
CHARLES R. IMBRECHT
Chairman

January 28, 1985

SENATE COMMITTEE ON
ENERGY AND NATURAL RESOURCES
RECEIVED
JAN 3

Honorable James A. McClure
Chairman, Committee on Energy
and Natural Resources
United States Senate
SD-361 Dirksen Senate Office Building
Washington, D. C. 20510

Dear Chairman McClure:

The purpose of this letter is to indicate my personal support for the nomination of Donald Hodel as Secretary of the Interior. As Chairman of the California Energy Commission, my exposure to Mr. Hodel during his tenture as Secretary of the Department of Energy has provided me with a basis to positively judge his ability to balance the interests of the public, private sector, utility, and environmental groups on a number of energy-related issues.

I have been particularly impressed by the results of Mr. Hodel's personal intervention on the development of the Northwest Intertie Agreement, which was mandated by Congress to balance the federal interest with those of the public and private jurisdictions affected. From California's perspective, the signing of this historical agreement allows access to energy supplies from the Northwest, an arrangement which will benefit the consumers of both regions.

As the nation's largest state energy office, the California Energy Commission has worked very closely with the Department of Energy on a wide variety of energy matters. Under the leadership and management of Don Hodel, a new cohesiveness was generated within the Department which facilitated communication and coordination between our respective agencies. Mr. Hodel, in my opinion and experience, justly deserves his reputation for managerial excellence.

For these reasons, I strongly support Don Hodel's nomination as Secretary of the Interior.

Sincerely,

CHARLES R. IMBRECHT
Chairman

P.S. IT WAS A
PLEASURE MAKING YOUR
ACQUAINTANCE THIS PAST
YEAR AT THE CONVENTION
IN DALLAS!

FOND DU LAC RESERVATION

BUSINESS COMMITTEE

WM. HOULE, Chairman
CLARENCE "CHUCK" SMITH, Sec./Treas.
ROBERT PEACOCK, Executive Director

105 UNIVERSITY ROAD
CLOQUET, MINNESOTA 55720
PHONE 1-218-879-4593

SENATE [illegible] TEE ON
ENERGY AND [illegible] RESOURCES
RECEIVED
JAN 3

RESOLUTION # 24/85

The Fond du Lac Reservation Business Committee on behalf of the Fond du Lac Lake Superior Band of Chippewa enacts the following Resolution:

WHEREAS, the Fond du Lac Reservation is a sovereignty, possessed of the jurisdiction and authority to exercise regulatory control within the boundaries of the Fond du Lac Reservation, and

WHEREAS, it is the obligation of the Fond du Lac Reservation under the Treaty of 1854 and P.L. 93-638, the Indian Self-Determination Act, to assume responsibilities of Self-Government, and

WHEREAS, the elected representatives of the Fond du Lac Reservation Business Committee and their staff have known Mr. Donald Hodell for many years as a result of his activities as Undersecretary for Department of Interior and as Secretary for the Department of Energy and have observed firsthand his capabilities, and

WHEREAS, the Fond du Lac Reservation Business Committee and staff feel strongly that his long experience with Indian Affairs coupled with his proven experience as Secretary of Dept. of Energy provide the necessary governmental background and management abilities for a successful candidate for the Secretary of Dept. of Interior position,

NOW THEREFORE BE IT RESOLVED, that the Fond du Lac Reservation Business Committee hereby declares its confidence in and support of Mr. Donald Hodell as the best qualified candidate for nomination to the position of Secretary of the Department of Interior.

We do hereby certify that the foregoing Resolution was duly presented and enacted upon by a vote of 3 for, 0 against, a quorum of 4 being present at a Special Meeting of the Fond du Lac Reservation Business Committee held on January 29, 1985 at the Fond du Lac Reservation Business Committee offices at Cloquet, Minnesota.

Herman Wise
Herman Wise, Vice-Chairman

[illegible] for
Clarence "Chuck" Smith, Sec./Treas.

FOND DU LAC MANUFACTURING CO — WOOD & OIL BURNING FURNACES
FOND DU LAC DEVELOPMENT CORP — FOND DU LAC CONSTRUCTION CORP

SENATE COMMITTEE ON
ENERGY AND NATURAL RESOURCES
JAN 3

Public Lands Council
Suite 1032
425-13th Street, N.W.
Washington, D.C. 20004
(202) 347-5355

National Cattlemen's Association
P.O. Box 3469
(5420 South Quebec Street)
Englewood, Colorado 80155
(303) 694-0305

National Wool Growers Association
600 Crandall Building
Salt Lake City, Utah 84101
(801) 363-4483

January 31, 1985

Honorable James A. McClure
Chairman
Energy and Natural Resources
SD 360
United States Senate
Washington, DC 20510

Re: Confirmation of Honrable Donald P. Hodel

Dear Mr. Chairman:

The National Cattlemen's Association, the National Wool Growers Association and the Public Lands Council are pleased to submit this endorsement for Donald Hodel to be Secretary of Interior.

The American livestock industry is fortunate to have a person of Mr. Hodel's stature serve in a key cabinet position. We respect his ability to manage despite the numerous conflicting issues he deals with on a day-to-day basis; he does so with fairness to all parties involved.

It is our considerate opinion that Mr. Hodel has all the credentials to serve as Secretary of the Department of Interior. It is for these and other reasons that we support his candidacy and give him our full endorsement for this distinguished position.

Sincerely,

Jo Ann Smith
Jo Ann Smith
President
National Cattlemen's Association

Herb Metzger
Herb Metzger
President
Public Lands Council

Norman Rousselot
Norman Rousselot
Chairman
National Wool Growers Association

LEE DALLAGER
ADJUSTMENTS • APPRAISALS • DAMAGE SURVEYS
P.O. Box 1844, Des Moines, Ia. 50306 Tele. 284-7369

SENATE [illegible] ON
ENERGY AND [illegible] RESOURCES
JAN 3

January 25, 1985

Re; Donald Hodel
Sec. of Interior
Appointment

Honorable James McClure
Chairman
Committee on Environment & Natural Resources
United States Senate
Washington, D.C. 20510

Dear Senator McClure,

I wish it were possible for me to appear before your Committee in behalf of Donald Hodel who has been Appointed to be Secretary of our Department of Interior. Previous business takes me in a Westerly direction at the time of your Hearings.

I am a Small Business Owner in Iowa and my Business has no ties with the U.S. Department of Interior.

For at least 15 years, I have been quite involved as a private citizen who is interested in our Natural Resources and Environment and the Conservation and wise use of the same. My interest has led me over the years to serve in various areas as a volunteer in service to Conservation and the Environment. I have had the various privileges of serving as follows:

Past National President, Izaak Walton League of America
Current Trustee of J.N. "Ding" Darling Conservation Foundation
An Initiator of the First Nat'l Conference on Urban Environment
Member of POWDR (U.S. Interior Wetlands Protection Committee)

Over the years, I have had the experience of meeting and working with Four different Secretarys of the Interior and their various Staffs. Due to various Policies of the different Administrations, we have seen differing approaches to responsibilities of the areas dealt with by the Interior Department. The Secretary of Interior doesn't ever receive the blessing of all public interests and is usually in someone's disfavor. We can all be thankfull that, for the most part, our present and recent Interior Secretarys have generally acted in what they have felt to be best for the interest of our Country. Even Jim Watt, who was not the favorite of the media elite, did accomplish a great deal towards clarifying many objectives of natural resource concern for responsible conservation interests.

I had the privilege of meeting Donald Hodel when he became the Under Secretary of Interior for Jim Watt. Mr. Hodel was involved in numerous projects for the Interior Department and due to his position, came in contact with many Volunteer Groups, Organizations and individuals who all were concerned with the Stewardship of our

- next page -

Lands, Waters, Wildlife and other resources. In my extensive dealings and involvement with the Interior Department, I came in contact with Mr. Hodel on numerous occasions. Mr. Hodel was always interested, in my opinion, in the wise use and fairest treatment of our natural resources and furthermore was exceedingly articulate in his many sessions of dealing with interested groups. I have been impressed with Mr. Hodel's style of administrative procedure in that he always attempts to "slice" through the ever present governmental obstacles to understandable procedure and objective.

Donald Hodel exhibited the same talents and responsibility as Secretary of Energy as he displayed while at Interior. Mr. Hodel showed responsible environmental concern in conjunction with the administration of Department of Energy programs.

I strongly recommend that Donald Hodel will be a responsible Secretary of Interior and I am confident that he will continue to be an efficient and dynamic administrator who will responsibly administer the wise use and protection of our important natural resources.

Thank you for considering my recommendation.

Sincerely,

Lee Dallager

Lee Dallager

ROBERT T. STAFFORD, VT., CHAIRMAN
HOWARD H. BAKER, JR., TENN.
JOHN H. CHAFEE, R.I.
ALAN K. SIMPSON, WYO.
JAMES ABDNOR, S. DAK.
STEVE SYMMS, IDAHO
PETE V. DOMENICI, N. MEX.
DAVE DURENBERGER, MINN.
GORDON HUMPHREY, N.H.
JENNINGS RANDOLPH, W. VA.
LLOYD BENTSEN, TEX.
QUENTIN N. BURDICK, N. DAK.
GARY HART, COLO
DANIEL PATRICK MOYNIHAN, N.Y.
GEORGE J. MITCHELL, MAINE
MAX BAUCUS, MONT.
BAILEY GUARD, STAFF DIRECTOR
JOHN W. YAGO, JR. MINORITY STAFF DIRECTOR

United States Senate
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
WASHINGTON, D.C. 20510

February 1, 1985

Honorable James McClure
Chairman
Committee on Energy and Natural Resources
Washington, D.C. 20510

Dear Jim:

I would like to add my wholehearted support for the nomination and confirmation of Don Hodel as Secretary of the Interior Department.

For the past two years, Mr. Hodel has served the President and nation well as Secretary of the Department of Energy. He has earned well deserved praise for his efficient management style and ability to carry out the Administration's policies. It has been a pleasure to work with him on issues of emergency preparedness and alternative energy for I found him to be well informed and attentive to my particular concerns.

I believe that President Reagan has made an excellent choice, for Mr. Hodel is certainly well qualified to be Interior Secretary. I am confident that he will continue to demonstrate his high degree of loyalty, integrity and leadership. And I look forward to working with him on a whole spectrum of natural resource issues, from parks, rivers and refugees to minerals management and development.

Sincerely,

Dave

Dave Durenberger
United States Senator

DD/je

4-0393128030 01/30/85 ICS IPMRNCZ CSP POMH
6022979381 POM TDRN TUCSON AZ 15 01-30
0522P EST 17:25 EST

western union Telegram

SENATOR JAMES MCCLURE RPT DLY MGM
CAPITOL ONE DC 20510

JAN 31 85

UNITED FOUR WHEEL DRIVE ASSOCIATIONS SUPPORTS THE NOMINATION OF SECRETARY HODEL TO SECRETARY OF INTERIOR

STU BENGSON, DIRECTOR LAND USE
UNITED FOUR WHEEL DRIVE ASSOCIATION
8900 NORTH CAMINO DE ANZA
TUCSON AZ 85704

17:25 EST

IPMPOMX WSH

SENATE COMMITTEE ON
ENERGY AND NATURAL RESOURCES
RECEIVED
JAN 31 1985
WASHINGTON, D.C. 20510

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

PUBLIC UTILITIES COMMISSION
100 Orange Street
Providence, R.I. 02903

January 28, 1985

The Honorable James McClure
Chairman, Senate Energy Committee
3121 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator McClure:

I am writing to express support of the nomination of Donald Paul Hodel to the position of Secretary of the Interior, and my hope that your Committee will vote to approve the nomination. As I am unable to testify on February 1, I would appreciate your consideration of this written statement.

The New England Conference of Public Utilities Commissioners, which I chair, asked Mr. Hodel, in his role as Secretary of Energy, to meet with us for a discussion of Canadian electricity imports. Secretary Hodel has expressed considerable skepticism about such imports, which the New England governors, utilities, energy officials and regulators have strongly supported in our search for lower cost electricity supplies for the region. Mr. Hodel acquiesced at once, and met with us in Los Angeles in late November for a full and frank exchange of views which we found heartening. The Secretary's willingness to explain his perspective fully and, particularly to listen carefully to our point of view, was very much appreciated by the commissioners-representing every New England state-who were present. Secretary Hodel assured us that the Department of Energy would not block the planned imports, and indicated that, while maintaining some concern, he could understand why they appear to be an optimal choice for New England at this time.

It seems to me that this demonstrated willingness to appreciate regional differences, readiness to explore new ideas, and openness to direct meetings with concerned groups are exactly the qualities that a Secretary of the Interior, with the vast responsibilities that office entails, should have.

Thank you for your consideration.

Sincerely,

Edward F. Burke

Edward F. Burke
Chairman

cc: Senator John Chafee

UNITED MOBILE SPORTFISHERMEN, INC.

United Mobile Sportfishermen, Inc.

Member Organizations:
Assateague Mobile Sportfishermen • Cape Hatteras Anglers Club • Cape Lookout Mobile Sportfishermen
Delaware Mobile Surffishermen • East End Anglers Club • Farragut Striper Club
Great South Beach Mobile Sportfishermen • Happy Hookers Fishing Club • Hartford Surf Club • Long Island Beach Buggy Association
Massachusetts Beach Buggy Association • Mobile Sportfishermen of Connecticut • Montauk Surfcasters Association
Nags Head Fishing Club • New Jersey Beach Buggy Association • North Carolina Beach Buggy Association
Rhode Island Mobile Sportfishermen • Thundermist Striper Club

Affiliations:
National Coalition For Marine Conservation • National Outdoor Coalition • United Four Wheel Drive Associations

Executive Director
William E. Miller
7 Sussex Lane
Bethpage, NY 11714
(516) 681 5653

President
Bruce Allen
33 Indian Ann Trail RD 2
Vincetown, NJ 08088
(609) 268 0845

Executive Vice President
Ed Ferry
2249 Loring Place
Bronx, NY 10468
(212) 933 7797

Vice President
Howard Laskin
1212 Lockwood Drive
Salisbury, MD 21801
(301) 742 8052

Treasurer
Conrad F. Smith
15 Bow Street
Woburn, MA 01801
(617) 933 6847

Secretary
Bruce E. Wolfson
6 Kenilworth Drive
East Northport, NY 11731
(516) 261 4892

Membership Secretary
Dan Hayes
P.O. Box 412
Norfolk, MA 02056
(617) 528 0424

SENATE COMMITTEE ON
ENERGY AND NATURAL RESOURCES
RECEIVED
JAN 3 85
WASHINGTON, D.C. 20510

The Honorable James A. McLure
Chairman
U.S. Senate Committee on Energy and
Natural Resources
358 Dirksen Office Building
Washington, D.C. 20510

January 26, 1985

Dear Mr. McLure,

The United Mobile Sportfishermen urge speedy confirmation of Don Hodel as Secretary of the Interior.

Our 50,000 sportsmen members have been conservationists long before others considered it fashionable to use that lable. We believe Don is a well qualified administrator who will carry out the President's multiple use policies. We endorse those policies and feel he is well qualified to administer our natural resources for the good of all Americans.

We would appreciate this letter being included with the record of the committee hearings scheduled for February 1.

Respectfully,

William E. Miller
William E. Miller

WM. E. M
7 SUSSEX LANE
BETHPAGE, N. Y. 11714

Representing all major over-sand surffishing vehicle organizations in the United States for the preservation of beach access and coastal resources

DELOIT, HASKINS & SELLS, TB
633 17TH ST
DENVER CO 80202 31AM

Western Union Mailgram

4-0259358031003 01/31/85 ICS IPMBNGZ CSP WHSB
2 3035348153 MGM TDBN DENVER CO 01-31 0226P EST

Official Committee File

SENATE COMMITTEE ON
ENERGY AND NATURAL RESOURCES
RECEIVED
FEB 5 1985
WASHINGTON, D.C. 20510

THE HONORABLE JAMES A MCCLURE
U.S. SENATE
CHAIRMAN ENERGY & NATURAL RESOURCE RM SD358
WASHINGTON DC 20510

THIS IS A CONFIRMATION COPY OF A TELEGRAM ADDRESSED TO YOU:

WE URGE THE COMMITTEE TO SEND THE CONFIRMATION OF SECRETARY HODEL AS SECRETARY OF INTERIOR TO THE FULL SENATE WITH AN UNANIMOUS VOTE SECRETARY HODEL HAS DEMONSTRATED A GENUINE INTEREST IN NATIVE AMERICANS AND WE ARE PLEASED TO ENDORSE HIS CONFIRMATION.

TED BRYANT, PRESIDENT AMERICAN INDIAN NATIONAL REPUBLICAN
FEDERATION 633 17TH ST DENVER CO 80202
633 17TH ST
DENVER CO 80202

14:26 EST

FEB [illegible] 85

MGMCOMP

TO REPLY BY MAILGRAM MESSAGE, SEE REVERSE SIDE FOR WESTERN UNION'S TOLL - FREE PHONE NUMBERS

acwa association of california water agencies • since 1910
a non-profit corporation

Washington Office
955 L'Enfant Plaza, SW
Washington, DC 20024
202/554-2470

910 k street, #250 sacramento, ca. 95814 • (916) 441-4545 • raymond r. rummonds, president
• rex pursell, vice president • john p. fraser, executive director and general counsel

SENATE COMMITTEE ON
ENERGY AND NATURAL RESOURCES
[illegible]
FEB 08 '85
[illegible]
[illegible] 20510

The Honorable James McClure
Chairman
Committee on Energy and Natural Resources
United States Senate
Washington, DC 20510

Dear Mr. Chairman,

The Association of California Water Agencies supports the nomination of the Honorable Donald Hodel as Secretary of Interior. His long experience, recognized administrative ability and reputation for personal integrity make him an outstanding candidate for this very important position.

The Secretary of Interior is a postion of extreme importance to California, the West and the entire nation. Its role in the management of our natural resources requires a careful balancing of their preservation and wise use so that all the people of the nation can share in the full range of their benefits. In California, as in the other Western States, much of our lands, water, timber, minerals and other resources are under the control of the Department of Interior and the actions of the Secretary and his assistants impact our lives daily.

Mr. Hodel has been closely involved in resources management for many years and his familiarity with the issues and problems confronting the Department makes him the ideal selection. We urge that your Committee favorably support his nomination.

Sincerely,

R P Will

Robert P. Will
Washington Counsel

The **Chairman**. Mr. Secretary, thank you again for your appearance before this committee. As has been noted, it is not your first, it may even not be your last, but if you can hold this job longer than you have held the others, at least it won't be a confirmation hearing next time. [Laughter.]

Secretary **Hodel**. Thank you.

The **Chairman**. We will have a recess for 10 minutes.

[A brief recess was taken.]

Senator **Wallop** [presiding]. The committee will come back into session.

Senator McClure has gone to try to get a bite of lunch so that we can keep going straight through. There are a number of witnesses left in the panels. We want all of them to be accommodated.

In order to do that, some have traveled from great distances and some are here, and we wish to make certain that those who have come here have the same opportunity as those who are here. So we have asked, as I understand the invitation to testify, to notify the people that their full statements will be inserted into the record as if delivered, and they have been asked to summarize in the interests of time their remarks to 5 minutes.

I intend to stand by that in the absence of the Chairman. If the Chairman, when he returns, wishes to break that rule, that will be his obvious prerogative.

So just to understand, when we start these public witnesses, we will ask you to summarize your statements. They will be printed in the record in their entirety. And then we will just begin with the first panel which is J. W. O'Meara, executive vice president of the National Water Resources Association of Washington and Jack Nickels, Jr., a rancher, from Fort Peck, MT.

Pat, it's nice to see you, sir.

STATEMENT OF J. W. O'MEARA, EXECUTIVE VICE PRESIDENT, NATIONAL WATER RESOURCES ASSOCIATION, WASHINGTON, DC

Mr. **O'Meara**. Thank you, Senator.

Recognizing the rules, I have prepared a brief statement which I will proceed to read to the committee.

As the members of this committee well know, the programs of the Department of the Interior are of paramount interest to the National Water Resources Association. Of particular interest are the policies and programs of the Bureau of Reclamation which will receive policy direction from Secretary Hodel.

We suspect that some members of this committee share our disappointment that we have not been able to maintain a more active and viable water resources development program. We recognize the budget constraints faced by the adminstration and the Congress as you grapple with our mounting deficits and soaring national debt.

In spite of those problems, we are gratified that water project construction has proceeded at a fairly reasonable rate, but we have not been able to secure any new water project starts, even though there are a number of economically feasible cost-shared projects that are ready to go.

We are reasonably confident, with Mr. Hodel at the helm, that water project development will receive high priority consideration in his administration. Now, the Senators this morning did not put that issue on the record. I note, for example, that there were a number of questions raised by the Senators about the possible merger of BLM and the Forest Service, but the issue of merging the Corps of Engineers and the Bureau of Reclamation did not go on the record at all this morning. I am a bit disappointed about that. I hope it doesn't reflect a lack of priority interest in water by this committee.

But we are not very optimistic about an outlook for an extensive program. We don't seek special consideration, but we sure want a fair shake. For example, wouldn't it be nice to see our investment in water projects, which certainly must be considered as an investment in America, wouldn't it be nice to be able to maintain a parity pace with Cap Weinberger? We are not talking dollar for dollar. We would be glad to settle for 2 percent.

We support a military force second to none. It is necessary, but so is water—perhaps in the long run, even more so. But we didn't come here to talk about water. We came to talk about Don Hodel.

Mr. Chairman, it was my good fortune to work closely with Mr. Hodel when we were both employed by the Department of the Interior a good many years ago. Now he is going to be employed there again. But years ago, he was the administrator of the Bonneville Power Administration and I was the director of the Office of Saline Water. We both reported to the same assistant secretary. Through that association, I developed a high admiration for his innovative ideas and his administrative skills.

More recently, I've had the opportunity to work with Don as he served with distinction as Under-Secretary of the Interior, and more recently as Secretary of Energy. I think the members of this committee will agree with me that his service at Energy has been shaped by integrity and administered with executive ability.

The members of this committee already have had their crack at Mr. Hodel, but I ask you to remember that the job of Secretary of the Interior is exceedingly difficult because he is required to administer a wide-ranging variety of bureaus and agencies, some of which are in competition, some are in conflict, and some are in open battle. Outside the Department, strong forces are active, pro and con, on every issue.

Your questions this morning ranged from 8G to wild burrows to carniverous bears to the tundra rebellion. I have seen the Department of the Interior briefing book that was used to bring Don Hodel up to speed and up to date on current issues, and rather than calling it a briefing book, I would rather call it a Pandora's Box.

President Reagan and the country need to have a man of proven capability, willing and able to take over the strenuous and usually thankless duties of the Secretary of the Interior. Don Hodel is that man.

We urge every member of this committee to endorse this splendid nomination and to give him your support during his stewardship. I know he is going to need it, and he certainly will appreciate it.

[The statement of Mr. O'Meara follows:]

STATEMENT OF

J.W. O'MEARA
EXECUTIVE VICE PRESIDE
NATIONAL WATER RESOURCES ASSOCIATION

BEFORE THE

COMMITTEE ON ENERGY AND NATURAL RESOURCES
U.S. SENATE

FEBRUARY 1, 1985

Mr. Chairman and Members of the Committee -

We are pleased that our first appearance before a Committee of the 99th Congress is to present testimony to endorse and support the nomination of Donald P. Hodel to be Secretary of the Interior.

As the Members of the Committee well know, the programs of the Department of the Interior are of paramount interest to the National Water Resources Association. Of particular interest are the policies and programs of the Bureau of Reclamation which will receive policy direction from Secretary Hodel.

We suspect that many members of this Committee share our disappointment that we have not been able to maintain a more active and viable water resources development program. We recognize the budget constraints faced by the Administration and the Congress as you grapple with our mounting deficits and soaring national debt. In spite of those problems, water project construction has proceeded at an acceptable rate, but we have not been able to secure any new starts even though there are a number of economically feasible/cost shared projects that are ready to go.

We are confident, with Mr. Hodel at the helm, that water project development will receive high priority consideration in his Administration. Even so, we are not very optimistic about the outlook for an extensive program. We don't seek special consideration, but we want a fair shake. For example, wouldn't it be nice to see our investment in water projects, which are an investment in America, be able to maintain parity with Cap Weinberger. We are not talking dollar for dollar, we would settle for 2%! We support a military force second to none, it is necessary, but so is water -- perhaps in the long run even more so. But we didn't come here to talk about water, we came to talk about Don Hodel.

Mr. Chairman, it was my good fortune to work closely with Mr. Hodel when we were both employed by the Department of the Interior a good many years ago. He was the Administrator of the Bonneville Power Administration and I was the Director of the

Office of Saline Water. We both reported to the Assistant Secretary for Water and Power. Through that association, I developed a high admiration for his innovative ideas and his administrative skills.

More recently, I have had the opportunity to work with Don Hodel as his served with distinction as Under-Secretary of the Interior and more recently as Secretary of Energy. I think the Members of the Committee will agree with me that his service at Energy has been shaped by integrity and administered with executive ability. His record at energy is a ringing endorsement for the new challenges he will have to face. The Members of this Committee already have had their crack at Mr. Hodel, but I ask you to remember that the job of Secretary of the Interior is exceedingly difficult because he is required to administer a wide ranging variety of bureaus and agencies, some of which are in competition, some in conflict and some in open battle. Outside the Department, strong forces are active pro and con on every issue.

President Reagan and the country need to have a man of proven capability, willing and able to take over the strenuous and usually thankless duties of the Secretary of the Interior. Don Hodel is that man.

We urge every member of this Committee to endorse this splendid nomination and to give him your support; I know he's going to need it and he certainly will appreciate it.

Senator WALLOP. Thank you, Pat.
Mr. Nickels.

STATEMENT OF JACK W. NICKELS, JR., RANCHER, FORT PECK, MT

Mr. NICKELS. Mr. Chairman, I would like to thank at this time the staff of the Energy Committee for all the help they have given me.

This is my first time before a committee. As a rancher from northeastern Montana, I come before you today to ask that you appoint Mr. Hodel as Secretary of Interior. We, as the grass roots users of public lands, are very concerned about the general operations of the Department of Interior. The Department has the awesome job of taking care of the public lands, of which I am so dependent on.

The Nickels' ranch has used public lands for more than 75 years as a means of sustaining our operation. Any policy that the Department makes which will affect the use of public lands, is of vital importance to our operation.

During the course of those many years, we've seen a lot of Secretaries come and go, and I, quite frankly, can't understand why any person would want the job. There are so many diverse interests that affect the public lands—wild life enthusiasts, environmentals, developers, coal miners and, of course, the cattle industry.

With that in mind, the Secretary must approach any decisions that affect public lands with an even, fair, and rational decisionmaking policy. I believe Mr. Hodel would do just that.

During Secretary Clark's very short stay at Interior, we in the livestock industry believed that we at last had a friend in Washington, someone who would listen to the issues fairly, and arrive at decisions based on input from all parties concerned.

There is no better case that bears this out than the case of the Charles M. Russell Wildlife Refuge in northeastern Montana which is situated just west of my family's ranch. Part of our family uses that refuge for about half of their grazing during a given year. This refuge was established in 1936 by then-President Roosevelt, and has been the center of many a battle between ranchers, environmentalists, and the Government.

When the refuge was created in 1936, it was to protect the wildlife and the needs of those ranchers that use the refuge for grazing. In the past number of years, steps have been taken by the Government to change the general operations of CMR, and each time those changes have come into effect, it has brought more conflict between ranchers and wildlife groups.

Mr. Clark took steps during his administration to approach the problems on CMR with an even hand, and at last we have some movement in that area. The Secretary had asked that an interagency task force be appointed to look into the draft environmental impact statement on CMR, and with that in mind we are now beginning to see the fruits of those labors.

The other problem which I believe that Mr. Hodel will be able to address fairly is the new grazing fees on public lands. Right now, with the cattle industry in the economic stress it is now experiencing, it would be unthinkable to raise grazing fees anywhere near a level suggested by OMB.

The Interior Department has been looking at changes in the grazing fee structure and the permit system for some time and, for the first time, I believe, is making an effort to get the input of all parties concerned.

As a rancher who every day uses some part of public lands, I am concerned with the placement of key people in the Department of Interior. The decisionmaking that they have affects my family's operation directly. Therefore, when we see a chance for all parties to work together for the betterment of the land, we must speak out.

And with that in mind, I ask that you appoint Mr. Hodel as the next Secretary of Interior. Thank you.

[The prepared statement of Mr. Nickels follows:]

To: The Senate Committee on Energy

From: Mr. Jack W. Nickels Jr.
South Route
Fort Peck, Montana 59223

Date: February 1st, 1985

Mr. Chairman and members of the Senate Energy Commitee:

I come before you today in support of Mr. Hodel's appointment as Secetary of the Interior. As a rancher from Northeastern Montana. I am concerned with the general operations of the department of Interior. It is as you well know the Interior departments job to oversee the general welfare of this nation's public lands.

The Nickels ranch depends on public lands for a great deal of its grazing in the course of any given year. Therefore, any policy change in the department of interior which would effect the use of public lands is of vital importance to our operation.

During the course of our ranch's many years of grazing on public lands. We have seen many Secretaries of Interior come and go. Some have been good for the cattle industry, while others have caused a great deal of trouble. Through it all, most of us have been able to stay in business. It is because of this that any new Secretary of the Interior approach problems on public lands with an even, fair, and rational decision making process. I believe Mr. Hodel will do just that.

During Secretary Clark's short stay at Interior. We in the livestock industry felt we at last had a friend in Washington, who would listen and treat all issues as fairly as possible. There is no other case which bears this out more than the case of the Charlies M. Russell Willife Refuge (CMR). This refuge was set up in 1936 by then President Roosevelt, and has been at the center of many a battle between ranchers, environmentalists, and the government.

When the refuge was created in 1936, it was to protect the needs of wildlife and the needs of those ranchers that have used the area for many years to graze livestock.

A NUMBER OF STEPS HAVE BEEN TAKEN BY THE GOVERNMENT TO CHANGE CMR OVER THE YEARS. EACH CHANGE HAS BROUGHT MORE CONFLICT BETWEEN RANCHERS AND WILDLIFE GROUPS.

ATTACHED YOU WILL FIND A VERY BRIEF HISTORY OF CMR. IT IS BECAUSE OF MR. CLARKSS EVEN-HANDED APPROACH TO THIS PROBLEM THAT AFTER MANY FIGHTS BETWEEN RANCHERS, F.W.S., AND ENVIRONMENTALIST WE AT LAST HAVE SOME MOVEMENT IN THE SOLVING OF CMR'S PROBLEMS.

I ALSO BELIEVE THAT MR. HODEL WILL BRING A FAIR EVEN-HAND TO THE HANDLING OF NEW GRAZING FEES ON PUBLIC LANDS. RIGHT NOW WITH THE CATTLE INDUSTRY IN ECONOMIC STRESS. IT WOULD BE UNTHINKABLE TO RAISE GRAZING FEES ANYWHERE NEAR THE LEVEL SUGGESTED BY OMB. THE INTERIOR DEPARTMENT HAS BEEN LOOKING AT CHANGES IN THE GRAZING FEE STRUCTURE AND PERMIT SYSTEM FOR SOMETIME AND FOR THE FIRST TIME. I BELIEVE IS MAKING AN EFFORT TO GET INPUT FROM ALL PARTIES INVOLVED WITH THE USE OF PUBLIC LANDS.

AS A RANCHER WHO EVERYDAY USES SOME PART OF PUBLIC LANDS, I AM VERY CONCERNED WITH THE PALCMENT OF KEY PERSONS IN THE INTERIOR DEPARTMENT. THE DECISION MADE BY THEM EFFECT ME AND MY FAMILY'S OPERATION DIRECTLY. THEREFORE, WHEN WE SEE A CHANCE FOR ALL PARTIES INVOLVED WITH PUBLIC LANDS TO WORK TOGETHER. WE KNOW THAT WE MUST SPEAK OUT AND WITH THAT I WOULD ASK THAT YOUR COMMITTEE CONFIRM MR. HODEL AS THE NEXT SECRETARY OF THE INTERIOR.

THANK YOU

RESPECTFULLY;

JACK W. NICKELS JR.

Charles M Russell NWR History

1936 E.O. 7509 - Ft Peck game range
1975 Secretarial Order - BLM authority
1976 P. L. 94-223 - FWS authority
1980 FWS issues draft EIS
1980 FWS sued by ranchers
1982 US District Court

- Wildlife/livestock equal
- Taylor Grazing Act

1983 9th Circuit Court rules
1984 Revised draft EIS issued

United States Court of Appeals – 9th Circuit

October 14, 1983

- " Wildlife has priority in access to the forage resources of the range up to the limits specified in E O 7509;"
  - 400,000 grouse, currently 50,000
  - 1,500 antelopes, currently 1,000
- " beyond those limits, wildlife and livestock have equal priority in access to the resources of the range; and
- the range is to be administered under the Wildlife Refuge Act."

CMR Stocking Levels

1935 First biological survey - Olaus Murie
- Recommended area to Pres Roosevelt
- 20 acres/AUM

1952 First range survey BLM/FWS
- Average stocking level 10 acres/AUM

1978 Latest range survey - proposed DEIS level
- Average stocking level 15.5 acres/AUM
- AUM allocation:
  - 58% wildlife
  - 42% livestock

Stocking Level Determination

- Range site and condition survey

  (professional range experts)

- AUMs calculated used Montana grazing guides developed by SCS

  (mechanical process)

- AUMs adjusted for slope, water and wildlife

  - up 13% slope - livestock
  over 38% - wildlife

  (professional wildlife experts)

8/30/83 - Wildlife Survey

Allotment	AUMs	Deer	Antelope
	Quantity / mi^2		
Gilbert Ck	87.7	.55	1.26
Box Ck	0	10	20

18 per section

- 18 times more deer
- 16 times more antelope

Draft EIS proposed action

- 56% reduction in AUMs - Gilbert Ck
- 0% reduction in AUMs - Box Ck

1983 – Livestock vs Wildlife

	9,375 deer
22,009 cattle	750 antelope
1,516 sheep	1,600 elk
83 horses	60 sheep
23,608 total	11,785 total

Post Hunting Season

Two livestock per big game animal

areas hunted vs non-hunted

Water Improvement Impacts

- Redistribute livestock - AUMs not added
- Even distribution of livestock detrimental to wildlife — yet, good range management
- Not cost effective - steep slopes
  erodable soils
- Unfenced allotment - results in more livestock on refuge

EIS Team

		Yrs exp
Leader	B S Wildlife Mgt	12
Range spec	M S Range Mgt	4
Rec spec	B S Recreation	20
Wild spec	B S Wildlife Mgt	2
Soils spec	M S Soils	2

Contract:

- 4 retired SCS specialists
  100 yrs exp
- 1 range-forestry spec
- 1 geologist

DEIS Management Alternatives

Proposal	% Grazing change
No action	0
→ Proposed action	-33
Intensive wildlife mgmt	-50
Multiple use (BLM context)	-13
No grazing	-100

Currently - AUMs for livestock	60,108
AUMs for wildlife	37,534
Total AUMs available	97,642

Impact of Proposed Action

No. permits	Range of changes in AUMs -	Avg change in herd size
15	0	0
25	1-50	2
10	51-100	6
11	101-200	11
19	201-500	27
*8	501-2208	94
88		

20% of aum
decrease
phase-in over
# years

*4 have herds over 500 head

1984 DEIS Comments

No action	73 letters
Proposed action	267 letters
Multiple use	9 letters 1,290 preprinted cards
Intensive wildlife management	34 letters
No grazing	8 letters

Rancher Accomodation

- Transferability – new owner receives CMR AUMs
  only place in national refuge system
- 40,000 AUMs for livestock
  (Proposed Action)
- Reductions to be phased in 5 yrs. could be longer
- FWS - provides initial fence and materials for repair
  agreement by all parties - BLM & Ranch
- FWS - builds/repairs the wells, and the stock ponds at service expense

Other CMR Benefits

- Annual public use 155,000

Hunting	15,000
Fishing	53,000
Wildlife/wildlands appreciation	28,000

- Nationally recognized trophy elk herd
- Nationally significant archaeological sites

Senator WALLOP. Thank you, Mr. Nickels.

Pat, let me assure you that this is one senator who shares your disappointment about the lack of new starts and who also shares with you a concern generally about water policy and the development of water in this country. And this is also one Senator who does not see any prospect for the merger of the Bureau of Reclamation with the Corps of Engineers, for a whole variety of reasons, all of which are good and all of which take too long to enumerate here.

They are in the questions which I have submitted to the nominee for response. But I think that there is pretty general agreement within this committee that such a move would not be in the interests of conservation as we know it in those projects which we have had, or those projects which are necessary for us to have in the future.

Mr. O'MEARA. Senator, if you'd just let me comment, I was pleased this morning when you asked Mr. Hodel about State primacy and was certainly gratified with his answer. I've also been advised that there are going to be some new starts in the 1986 budget which you may be aware of. If there are any new starts, certainly it would seem to me that Buffalo Bill has got to be at the head of the list.

Senator WALLOP. That's one of the reasons why I am one of the ones who share your disappointment in that. [Laughter.]

Mr. O'MEARA. But the merger, perhaps we had a knee-jerk reaction when it was proposed to oppose it, but the more we study it, the more our opposition grows.

So it's not only knee-jerk, but it's in depth that we hope that we can put that aside. If it does ever get before this committee, I can assure you we will be here in force to oppose that.

Senator WALLOP. Aside from anything else, I think it's the same thing that is inherent in one of the concepts that was raised this morning; that you might put the Forest Service and the BLM into one sort of monster agency, and while there seem to be certain attractions to that concept, one of the real distractions, as far as I am concerned, is that there is a certain economy of scale in Government as anything else. It's simply too monstrous to have everything that is a public land issue administered by one agency.

I think much of the same can be said about merging the Corps and the Bureau. There are different reasons for each of them to exist for different purposes in mind.

Clearly, I think, until recent years at least, the Corps has been perhaps a more ambitious builder than the Bureau has, but for different reasons and with different results. And I think there is reason to keep it separated.

Mr. O'MEARA. And it's——

Senator WALLOP. Go ahead.

Mr. O'MEARA. There's something else I don't think very many people realize, but between the Forest Service and the BLM, between the Corps of Engineers and the Bureau of Reclamation, there is a certain amount of competition that leads to pride in the organization. Without that competition, if you become the monopoly agency, then there would be a tendency to sit back.

But I know the Forest Service likes to point with pride to something they've done, to compare it to something the BLM has done, and it's good for both agencies, whether it's the Corps and the Bureau, or whether it's the Forest Service and BLM.

Senator WALLOP. Mr. Nickels, I appreciate your concern from a first-hand——

Mr. NICKLES. Thank you.

Senator WALLOP [continuing.] Perspective on grazing fees and other things. We have apparently come to a great deal of bipartisan concensus and bicameral consensus as to where we might go on that, and I think that those views are generally shared by the livestock industry.

Whether or not they are shared by the adminstration, I think remains yet to be seen. But I do believe that we can come out with a grazing fee that recognizes market conditions on a sliding scale and is pegged perhaps to another basis, but still recognizes market conditions.

Mr. NICKELS. Well, Mr. Chairman, what I was trying to say is that at this time, any increase in grazing fees may not be the most prudent thing, given the economy of the livestock industry.

Last week, the National Cattlemen met, or actually this week, the National Cattlemen's Association met in Phoenix, AZ, and heard some rather depressing news that the livestock industry, of all of the various parts of our industry, the agricultural industry, is probably in the worst shape of them all.

I can attest to that when I am selling cows at the local stockyards at 28 cents a pound, and I have about 150, 200 head of steers sitting in the feedlot that we'll probably lose about 15 cents a pound on this spring when we sell them. We realize that there more than likely will have to be an increase or a readjustment of grazing fees or a process by which the Government will generate more revenue off of their public lands.

But what we're asking is that at this particular time until the industry turns around, that we at least maintain the course we are on.

Senator WALLOP. I appreciate that, and I thank you both for testifying this morning.

Incidentally, for those in the audience who don't know what that 15 cents a pound might mean to Mr. Nickels, it would not be less than $150 a head, which is a lot to lose when you're in the business of trying to sustain a family.

The second panel is Dr. Jay Hair, executive vice president, National Wildlife Federation; William Butler, vice president and general counsel of the National Audubon Society, who is accompanied by Brock Evans, vice president for National Issues; Mr. William Painter, director of Washington Programs, Defenders of Wildlife.

Gentlemen, welcome, and again I suggest that your entire statements will be in the record and ask that you would obey the Chairman's wishes and summarize to the 5 minutes.

Dr. Hair.

STATEMENT OF DR. JAY D. HAIR, EXECUTIVE VICE PRESIDENT, NATIONAL WILDLIFE FEDERATION, WASHINGTON, DC

Dr. HAIR. Thank you, Mr. Chairman. I am Jay Hair, the executive vice president of the National Wildlife Federation, the Nation's largest private conservation organization with over 4 million members and supporters, and I appreciate this opportunity to appear before you today.

As you have requested, I would like to briefly present our perspective on Secretary Hodel's public record, and then suggest the issues in which the Secretary Designate should be examined prior to confirmation.

I first turn to Secretary Hodel's record. Secretary Hodel's actions and statements as BPA Administrator do not speak well for his ability to undertake the stewardship responsibilities of the Secretary of the Interior. His record as Under Secretary of the Interior was similarly undistinguished. His involvement in the infamous Powder River coal lease sale and other leasing and development issues further weigh against his confirmation.

In viewing Secretary Hodel's record at Interior, however, it is difficult to judge which actions taken by the then Under Secretary Hodel, as Secretary Watts' subordinate, were an expression of Secretary Hodel's own views and which were an expression of his loyalty to Mr. Watt.

As Secretary of Energy, Mr. Hodel tempered some of his earlier hostile views towards conservationists. In recent meetings with him, I have found him to be personable, knowledgeable, and anxious to pursue dialog in a positive and constructive manner. This speaks favorably for his ability to continue the openness that characterized Mr. Clark's tenure as Secretary of the Interior.

However, the Secretary's administration of the Energy Department has been somewhat inconsistent. For example, on the one hand, we commend him for supporting the continued funding of solar energy and energy conservation research. On the other hand, we are very distressed about his unwillingness to pursue the development of regulations to control toxic waste discharges from DOE facilities.

However, Mr. Hodel's actions as Secretary of Energy do not provide a sufficient basis to oppose his nomination for Secretary of the Interior, nor do they provide us with a stellar record of performance which would encourage us to actively support his confirmation.

Before these confirmation hearings conclude, we believe Secretary Hodel should be examined carefully about his views on the three key areas of process, personnel, and policy, since they are basic to an understanding of his management philosophy and ultimately to his qualifications for this important office.

On the issue of process, we believe strongly that Secretary Hodel must actively promote open dialog with conservationists and other interest groups at all levels throughout the Department.

Likewise, in the personnel area, he must assemble a first-rate management team. The key positions of Assistant Secretary for Fish and Wildlife in Parks, Assistant Secretary for Lands and Mineral Management, and the Director of the National Park Service should be filled by professionals who profess a demonstrated philosophical commitment to the wise use and sustained management of our Nation's natural resources.

Secretary Hodel must restore balance to the Department's policies and programs. The National Wildlife Federation recently sent Secretary Hodel 23 priority recommendations for policy and programmatic action, copies of which are attached to my formal statement.

These recommendations represent six major themes which indicate what the new Secretary should do:

No. 1, restore a balanced approach to Federal energy leasing;

No. 2, rehabilitate the Office of Surface Mining and enforce the Surface Mining Control and Reclamation Act;

No. 3, support increased acquisition of critical lands for refuges, parks, and recreational areas;

No. 4, take stronger initiatives to protect fish and wildlife and their habitats;

No. 5, return to the more balanced multiple use management of appropriate public lands; and

No. 6, institute new policies for the economically and environmentally sound management of water projects.

Mr. Chairman, the National Wildlife Federation desires to be as helpful as possible to this committee. While I would prefer to provide you a clear statement of support for Mr. Hodel's nomination, his lack of a positive record on resource confirmation issues persuades us to reserve judgment at this time.

However, as a pragmatic and positive signal of our strong preference to promote a spirit of cooperation, we believe it is once again time to look forward and not backward. I believe Secretary Hodel will be confirmed. I sincerely hope that he will provide aggressive and inspired leadership for the Reagan Administration to fulfill its stewardship responsibilities for our Nation's priceless natural resources, which in certain important respects have not been yet been appropriately recognized by this administration.

In conclusion, the National Wildlife Federation stands ready to work with Secretary Hodel in a positive and constructive manner. We wish him well during his tenure as Secretary of the Interior, because to the extent that he succeeds is the extent to which our Nation's abundant and priceless natural resources will be responsibly managed for the benefit of current and future generations of Americas.

Thank you, sir.

[The prepared statement of Dr. Hair follows:]

NATIONAL WILDLIFE FEDERATION
1412 Sixteenth Street, N.W., Washington, D.C. 20036 202—797-6800

Statement of Dr. Jay D. Hair, Executive Vice President, National Wildlife Federation at the Confirmation Hearings on the Nomination of Donald P. Hodel as Secretary of the Interior

Senate Committee on Energy and Natural Resources
February 1, 1985

Mr. Chairman and Members of the Committee:

I am Jay D. Hair, Executive Vice President of the National Wildlife Federation -- the nation's largest private conservation organization with over 4 million members and supporters. I appreciate this opportunity to appear before this committee to testify on the nomination of Secretary of Energy Donald Paul Hodel for the position of Secretary of the Interior.

Mr. Chairman, I speak for an organization that believes in the wise utilization of our nation's resources. We believe in "stewardship" of the nation's resources and a balanced approach to the management of both the renewable and non-renewable resources of our federal lands. While we recognize the legitimate needs to produce coal, timber, oil and gas, and other commodities from our federal lands, we believe that the keystone of economically prudent development must be responsible environmental protection.

Context of These Hearings

For nearly three years of the first Reagan Administration, the nation endured a contentious, development-oriented Secretary of the Interior. Secretary Watt brought with him a style which sought confrontation rather than consensus. He developed and implemented policies which favored the unrestrained development of public resources such as coal, oil and gas, while ignoring his responsibility to protect the environment and enhance the wealth of renewable resources on the public's lands.

For the past year, the Department of the Interior has made major strides in improving its dialogue with a wide range of interest groups including conservationists. The cloud of controversy has been lifted, but the foundations for balanced, consensus based policies are not yet firmly in place.

The next Secretary of the Interior will face hard management decisions. The Department of the Interior is at a critical juncture. The next Secretary of the Interior can build upon the dialogue nurtured by Secretary Clark and develop policies and programs which represent balanced, responsible management of the public lands and resources. Or he can return the Interior Department to the days of thoughtless ideology and conflict.

The next Secretary's choice of leadership style will have a major bearing on his ability to manage our nation's resources effectively.

The Secretary of the Interior

In preparation for these hearings, I found myself reflecting on the broad responsibilities of the Secretary of the Interior. In its simplest terms, the domain which he administers is vast. As this Committee is well aware, the Secretary is responsible for management of 320 million acres of Bureau of Land Management property, 74 million acres of National Parks, 90 million acres of National Wildlife Refuge lands, and more than a billion acres of the Outer Continental Shelf.

These lands contain a wealth of resources. They provide a richness and diversity which adds to our nation's strength and is the legacy for future generations. Historically, the nation has always looked towards these lands for its wealth of timber, minerals, and energy. However, since the beginning of this Century, the nation has given increased attention to the cultural, recreational, wildlife, and natural values of its public lands.

This broad respect for all of the values of the public lands brought forward the concept of "stewardship," and the Congress enacted many laws instructing the Secretary of the Interior to manage these lands and their resources for the enrichment of both present and future generations.

In the early 1930's, during the debate on the Taylor Grazing Act, a landmark piece of legislation in the evolution of public lands management, Representative Burton French (R-Idaho) made a farsighted speech about the need for "stewardship:"

> The astounding value of the public domain lies in uses that have been overlooked, for the most part...uses as watersheds and for control of stream flow, uses as deterrents to floods, uses for natural storage for irrigated lands, uses for game and recreation, uses for forage and range, uses as forest areas, and finally uses as gigantic regulators of climactic conditions...the value of these lands is such that the welfare and prosperity of the people of a mighty empire all depend upon the fidelity with which the lands we call the public domain are administered.

Secretary Hodel's Record

Today, this Committee considers the nomination of Donald Paul Hodel to take on these vital responsibilities. Secretary Hodel is not new to public life, nor to the Department of the Interior. How does his record speak of his qualifications for this charge?

This Committee has already reviewed Secretary Hodel's record as Administrator of the Bonneville Power Administration. His actions as BPA Administrator do not speak well for his ability to undertake the stewardship responsibilities of the Secretary of the Interior.

Similarly, the Committee examined Secretary Hodel's record as Under-Secretary of the Interior. While the full extent of Secretary Hodel's involvement in executing the policies of

Secretary Watt have not been reviewed in any detail publicly, his involvement in the infamous Powder River Basin coal lease sale, and other leasing and development initiatives, also weigh against his confirmation. It is difficult to judge which actions taken by Secretary Hodel, as Secretary Watt's subordinate, were expressions of Secretary Hodel's views and which were expressions of his loyalty to Secretary Watt. I, for one, am willing to give him the benefit of the doubt when he says that he spoke out against many of Mr. Watt's more extreme policies.

On the positive side, as Secretary Hodel made clear to this Committee in his prior confirmation hearings, he has learned to moderate the confrontational approach which marked his term as BPA Administrator.

Since he has been Secretary of Energy, Mr. Hodel has tempered some of his earlier, hostile views towards conservationists. Soon after taking office, he met with representatives of conservation groups, including me. His departure from the style of Secretary Watt speaks favorably for his ability to continue the dialogue which Secretary Clark initiated on Interior Department policies.

The Federation has also been pleased with Secretary Hodel's support for continued funding of solar energy and energy conservation research efforts at the Energy Department. In his tenure as Secretary of Energy, Mr. Hodel has proven himself an effective advocate of continued funding for these important efforts, despite OMB Director David Stockman's repeated attempts to eliminate the remaining federal solar and conservation funds.

On the other hand, the Secretary's administration of the Energy Department has been marred by his unwillingness to take strong regulatory action when it was clearly warranted. For example, the Secretary has refused to implement much needed energy efficiency standards for household appliances. And he has been unwilling to regulate the toxic waste discharges from DOE facilities--arguing, incorrectly in my view, that they are exempt from the Resource Conservation and Recovery Act.

Over-all, Mr. Hodel's actions as Secretary of Energy do not leave us with strong reasons to oppose his nomination, nor do they provide us with a record of performance which would encourage us to support his confirmation.

But it is the time to look forward, not backward. I am hopeful that the Reagan Administration and Secretary Hodel will take up the stewardship responsibilities conferred upon the Secretary of Interior and implement the responsible and balanced resource management policies which the American public has consistently supported. These responsibilities have not yet been recognized appropriately by this Administration. I hope Secretary Hodel will change that.

Actions Needed at Interior

In his confirmation hearings, Secretary Clark defined his agenda as including the "three-P's"--process, personnel, and policy. I believe it would be useful for this Committee to examine Secretary Hodel carefully on each of these areas. To aid in that endeavor I would like to suggest briefly what actions the National Wildlife Federation believes are needed in each of these areas.

Process

On the Issue of process, the new Secretary's first priority should be continuation of the open dialogue with conservationists initiated by Secretary Clark. Secretary Hodel should regularly meet and discuss issues with the conservation community.

Moreover, Secretary Hodel should encourage such openness throughout the Department. Interior employees should be encouraged to express their professional judgments and to meet with all parties influenced by their decisions. Secretary Hodel should continue to increase the availability of information to the public. Formal Freedom of Information Act requests should be the exception, and not the rule. In addition, the Department's handling of FOIA requests and appeals should be conducted promptly and fairly.

Secretary Clark has made some welcome improvements in these areas. The "reign of terror" typical of the Watt Administration has stopped. Open communication and fairness are fundamental to continued dialogue with the conservation community and must receive Secretary Hodel's support and encouragement.

Personnel

Secretary Hodel must also commit himself to bringing on-board a sound management team. He will have several immediate opportunities to do so. The key positions of Assistant Secretary for Fish and Wildlife and Parks, Assistant Secretary for Lands and Minerals Management, and Director of the National Park Service are open and should be filled by individuals who possess both a demonstrated commitment to the balanced management of natural resources and a strong professional background. In particular, Secretary Hodel should continue the tradition of appointing a career professional to head the National Park Service. In each of these cases, we urge Secretary Hodel to confer with the conservation community and other affected interests in reaching his decisions.

Policies

The Federation recently sent to Secretary Hodel a series of 23 priority recommendations for policy and programmatic action.

For the benefit of the Committee, a copy of those recommendations is attached as an exhibit to my formal statement. I request that it be made a part of the hearing record.

Those 23 recommendations fall into 6 broad areas. They indicate the new Secretary should:

1) Restore a balanced approach to federal energy leasing;
2) Rehabilitate the Office of Surface Mining and enforce the Surface Mining Control and Reclamation Act;
3) Support increased acquisition of critical lands for refuges, parks, and recreation areas;
4) Take stronger initiatives to protect fish and wildlife and their habitat;
5) Return to more balanced multiple use management of public lands; and
6) Institute new policies for the economically and environmentally sound management of water projects.

I will discuss each of these points briefly.

Federal Energy Leasing

In the past four years, federal coal reserves and on-shore and off-shore oil and gas lands have been leased at unprecedented rates with little regard for the environment or the receipt of fair market value. The policies and regulations remain in effect which supported Secretary Watt's almost universally criticized coal leasing program. These are the policies and rules which outstripped the ability of the Department to protect the environment and resulted in fire-sale prices for federal coal leases in the Powder River coal lease sale.

On-shore oil and gas leasing has gone forward at an unprecedented pace. In some states, more than 90 percent of all federal land available for leasing is now under lease. Much of this leasing proceeded without adequate pre-lease environmental review, and without stipulations adequate to protect wildlife, water, and other resources.

In the Outer Continental Shelf, area-wide planning and leasing continues to open more environmentally sensitive areas while undermining the Department's ability to conduct careful site-specific environmental review. Despite a large backlog of undeveloped OCS leases, planning to lease vast areas continues. Biologically sensitive areas such as Alaska's Bristol Bay are being unnecessarily placed at risk.

The new Secretary of the Interior must immediately take action to restore balance to these leasing programs, providing for the legitimate needs of industry while protecting the environment.

The Office of Surface Mining

The Office of Surface Mining has fallen into a state of disarray. Large portions of the agency's responsibilities are being conducted under court order, staff is stretched thin, and morale is poor. At the same time, enforcement of the Surface Mining Control and Reclamation Act has faltered. Flagrant abuses are allowed to continue, orders to cease illegal mining activity are ignored, and fines and penalties are not collected.

The new Secretary of the Interior must take firm action to rehabilitate the Office of Surface Mining and enforce the law. Top priority should be given to restoration of a reasonable set of environmental regulations for controlling surface mining. The new Secretary should be more aggressive in resolving the pending litigation generated by Secretary Watt's sweeping re-write of the surface mining regulations. We are ready to work with him to resolve these disputes.

Land Acquisition

Severe limitations on the Department of the Interior's land acquisition program of the past four years has led to a number of serious problems. The backlog of lands which should be purchased has grown, in part due to limited funds and in part due to limited staff for processing acquisitions. In the interim, land prices for authorized acquisitions have escalated, and other lands have been lost to development. This situation has also left willing sellers in a quandary, unable to sell to the federal government and unable to find private purchasers due to the announced intention of the government to purchase.

The new Secretary of the Interior should support adequate funding for the acquisition of critical lands for National Wildlife Refuges, National Parks, and BLM recreation areas. At least $400 million should be requested for the Land and Water

Conservation Fund, and DOI's agencies should intensify their land acquisition efforts to reduce the backlog of authorized acquisitions.

Protect Fish and Wildlife Habitat

Our nation's fish and wildlife, and the habitat critical to their survival, are under constant and growing pressure. The nation's Wildlife Refuges face an enormous array of threats ranging from simple over-use to the dumping of toxic chemical wastes. Bald eagles, millions of migratory waterfowl, and countless other animals die each year from lead shot poisoning. Wetlands, critical to migratory waterfowl, fish and shellfish production and many endangered species, are being destroyed at an alarming rate.

The Secretary of the Interior must undertake strong initiatives to protect fish and wildlife and their habitat. In particular:

- The Nation's Wildlife Refuges should be primarily managed for wildlife, and the standing directive ordering expansion of the economic uses of the Refuges should be repealed.
- The Department should promulgate regulations quickly to establish non-toxic shot zones and criteria for their identification to protect bald eagles and waterfowl from lead poisoning. The Department should work for the eventual phase-out of lead shot for migratory waterfowl hunting.
- The Secretary should complete and publish the policy guidance document defining the fisheries program of the US Fish and Wildlife Service;

- the Secretary should seek a new Memorandum of Agreement with the Army Corps of Engineers on Section 404 of the Clean Water Act which assures that the Army will honor the Department's requests for review of impacts of dredge and fill operations on natural resources.
- Finally, the Secretary should advocate reauthorization of a strengthened Endangered Species Act.

BLM Lands Management

The Bureau of Land Management administers 320 million acres of rich and diverse public lands. Its lands hold a large part of the nation's energy and mineral resources and a wealth of wildlife, recreational, cultural and other resources. BLM lands, for example, contain thousands of miles of streams, plus an abundance of big game and non-game animal species, including over 1,000,000 deer, 230,000 pronghorn antelope, 68,000 elk, 88,000 moose, bighorn sheep, and grizzly and black bears to mention just a few. In fact, BLM manages more wildlife habitat than any other federal agency.

The Bureau manages the largest cultural resource in the nation. Hundreds of sites on BLM lands have been listed on the National Register of Historic Places and hundreds more have been identified as qualified for nomination. Recreation on BLM lands continues to grow every year. More than 200 million people visit recreational areas on the public lands each year.

In the past 4 years, BLM has strayed from the balanced multiple-use/sustained yield objectives set forth by Congress in the Federal Land Policy and Management Act. The historic balance in BLM's budget between conservation and resource development has been lost. Scientific planning to resolve resource conflicts has languished. Eight years after the passage of FLPMA, BLM has yet to complete Resource Management Plans for most of its lands. Despite the lack of adequate land use plans, development decisions have pushed ahead, public lands have been sold, and protections for critical lands have been removed. Finally, BLM has turned public water rights over to private interests and has sat idly by while the public has been blocked from access to its lands.

The next Secretary of the Interior must re-direct the Bureau of Land Management toward more balanced multiple use management of the public lands. The balance in BLM's budget also must be restored. BLM should be directed to complete quality Resource Management Plans for all of its regions within the next five years. In the interim, land sales regulations should be revised to restore public notice and comment, and require sales and exchanges to be reviewed first through land use plans. The Department's "withdrawal review" program should be suspended and brought into compliance with the law. Public access to lands for recreation should be protected, and federal water rights policies should meet the multiple-use objectives of FLPMA. Finally, BLM grazing fees should be revised to reflect rates charged on comparable private lands.

Water Resource Development

This Administration has accelerated construction of western water projects, while downgrading the planning and evaluation requirements needed to measure their economic and environmental soundness. Despite tremendous potential for water conservation at existing Reclamation projects, precious water supplies are being wasted. At the same time, the Bureau of Reclamation's lenient repayment terms subsidize water and power production, further encouraging wasteful practices and resulting in even greater demands for new water and power projects.

Yielding to these pressures, the Bureau of Reclamation has accelerated its construction program -- a program which perpetuates subsidized water and power production, fails to protect the environment (particularly riparian habitat and recreational resources), and is uncoordinated, duplicative, and often inconsistent with actions by other federal agencies.

The Secretary of the Interior must reformulate the mission of the Bureau of Reclamation to emphasize water conservation and coordinated multi-purpose resource management. At a minimum, he should:

- Issue more specific regulations for implementing the water conservation plans called for by the Reclamation Reform Act of 1982.
- Initiate an accelerated cost-recovery policy for existing water projects.
- Subject all future water resource development projects and studies to standardized cost-sharing criteria as well as criteria for economic and environmental feasibility.
- Support legislation to create a National Water Policy Board to coordinate federal policies and actions and reduce duplication and conflicts among the two dozen agencies involved with water resources.

Conclusion

In conclusion, Mr. Chairman, the National Wildlife Federation desires to play as supportive and helpful a role as possible with the Committee's deliberations. While I would prefer to provide you with a clear statement of support for Secretary Hodel's nomination, our mixed views on his prior record and his lack of a track record on resource conservation issues, persuades us to reserve judgment at this time. I recognize that the members of this Committee and the Senate do not have that luxury. Likewise, as I have indicated to this Committee on similar occasions in the past, I am a pragmatist and political realist. I recognize that Secretary Hodel will, in all likelihood, be confirmed. I hope that if confirmed he will continue the constructive dialogue initiated by Secretary Clark, bring to the Department a strong and balanced management team, and demonstrate a committment to policy changes which will restore a sound foundation to the Department's programs. To those ends, the National Wildlife Federation stands ready, willing and able to work with him in a positive and responsible manner. Failure by the new Secretary of the Interior to exercise his statutory stewardship responsibilities will lead only to continued and unnecessary conflict, confrontation, and countermeasures--and the public interest will not have been well served.

Thank you. I will be pleased to answer your questions.

NATIONAL WILDLIFE FEDERATION
1412 Sixteenth Street, N.W., Washington, D.C. 20036 202—797-6800

ISSUES REQUIRING ACTION
BY THE NEW
SECRETARY OF THE INTERIOR

January 29, 1985

JAY D. HAIR
Executive Vice President

TABLE OF CONTENTS

SUMMARY OF RECOMMENDATIONS. i

A. Coal Leasing. 1

B. Strip mining. 6

C. On-Shore Oil and Gas Leasing. 9

D. OCS Leasing.. 12

E. Parks and Refuge Acquisition. 15

F. Fish and Wildlife Management. 17

G. Wetlands Protection.. 26

H. BLM Land Sales. 29

I. BLM Rangeland Management. 31

J. BLM Withdrawal Review Program.. 33

K. BLM Land Use Planning.. 34

L. Public Lands Access.. 37

M. Multiple-Use Water Rights.. 39

N. Federal Water Resources Policy. 42

O. Bureau of Land Management Budget. 48

SUMMARY OF RECOMMENDATIONS

A. Coal Leasing

1. Stop the overleasing of federal coal by repudiating the policy of leasing to meet industry's demand for coal reserves.

2. Issue coal leasing unsuitability criteria for wetlands, economic and technological reclaimability, sole-source drinking water supplies and air quality (PSD).

B. Strip Mining

3. Settle the pending litigation over the extreme surface mining regulations issued by Secretary Watt as a first step toward developing a responsible set of environmental standards.

C. On-shore Oil and Gas Leasing

4. Assure adequate environmental review of existing leases before issuing permits for onshore oil and gas operations. This is especially important for the "no surface occupancy leases" which have previously had limited environmental review.

D. OCS Leasing

5. Abandon area-wide leasing and substantially reduce the acreage planned for leasing over the next five years.

6. Defer leasing in Alaska's Bristol Bay until other less biologically sensitive areas are leased.

E. Parks and Refuge Acquisition

7. Acquire at least $400 million in lands per year through the Land and Water Conservation Fund.

F. Fish and Wildlife Management

8. Implement an aggressive program to eliminate lead poisoning of wildlife.

9. Support and actively advocate the reauthorization of a strengthened Endangered Species Act, including (1) continued, full protection for threatened and endangered species dependent upon adequate water flows in western rivers; (2) increased protection for endangered plants; and (3) increased protection for candidate species.

10. Repeal the directive ordering expansion of economic uses on National Wildlife Refuges and support wildlife management as the primary mission of refuge management.

11. Complete and publish the policy guidance document now under review to clearly define the mission of the fisheries program of the U.S. Fish and Wildlife Service.

G. Wetlands Protection

12. Insist on a new Memorandum of Agreement with the Army Corps of Engineers (Army) on Section 404 that will require the Army to honor the Department's requests for further review of a project's natural resource impacts.

H. BLM Land Sales

13. Prohibit the sale or exchange of public lands which have not been reviewed for wildlife and environmental values in Resource Management Plans.

I. BLM Rangeland Management

14. Support a revised grazing fee formula which bases federal grazing fees on rates charged for comparable private lands and use the additional fees to rehabilitate damaged public lands.

J. BLM Withdrawal Review Program

15. Suspend the "withdrawal review program" and reinstate all resource protection classifications terminated under the program pending their complete review under the Department's land use planning program.

K. BLM Land Use Planning

16. Establish a firm schedule for completion of quality Resource Management Plans in all resource areas within the next five years.

L. Public Lands Access

17. Initiate actions under existing legal authorities to open up those public lands that have been closed to the public by federal livestock permittees and adjacent landowners.

M. Multiple-Use Water Rights

18. Revoke the current policy of allowing private interests to obtain rights to water on federal lands, and direct the BLM to promulgate a new multiple-use water policy which assures that the Bureau's management responsibilities are met.

N. Federal Water Resources Policy

19. Issue regulations which provide substantive criteria for the water conservation plans required by the Reclamation Reform Act of 1982.

20. Initiate an accelerated cost recovery policy to secure the repayment of existing federal investment in water resource projects on a timely basis.

21. Establish standardized non-federal cost sharing criteria for all future water resource development projects and studies, and require all new Reclamation projects to meet generally recognized criteria for economic and environmental feasibility.

22. Support pending legislation to create a National Water Policy Board.

O. Bureau of Land Management Budget

23. Restore the funding ratio for the four BLM renewable resource programs (range management; soil, water, and air; wildlife habitat management; and recreation) to at least 50% of the total budget.

A. COAL LEASING

1. Stop the overleasing of federal coal by repudiating the policy of leasing to meet industry's demand for coal reserves.

No issue within the Department of the Interior generated more controversy over the past four years than the leasing of federally owned coal. After the government sold leases in the Powder River Basin for $100 million less than they were worth,[1] a Congressionally mandated leasing moratorium was imposed and two major studies ordered: one by a special federal commission and another by the Office of Technology Assessment. Those studies concluded that the Department was attempting to lease too much coal, too fast, at too low a price.[2] Not only was this overleasing policy cheating the taxpayers but it was threatening the environment by offering up more coal than the BLM could review for environmental acceptability.

---

[1] "Analysis of the Powder River Basin Federal Coal Lease Sale: Economic Valuation Improvements and Legislative Changes Needed," General Accounting Office, GAO-RCED-83-119, May 11, 1983, p. vi.

[2] See Fair Market Value Policy for Federal Coal Leasing, Commission on Fair Market Value Policy for Federal Coal Leasing, February 17, 1984, p. 488, and Environmental Protection in the Federal Coal Leasing Program, Office of Technology Assessment, May, 1984, pp. 16-22.

In response to those two studies, Secretary Clark himself issued two reports and ordered the Department to halt coal leasing until Summer of 1985. In the meantime, the Department is preparing an environmental impact statement on its leasing program and making numerous regulatory and policy changes.[3]

Despite the controversy and criticism, the Department appears unwilling to change the policy most responsible for the failures of the prior leasing program: the policy of leasing to meet industry's demand for coal reserves. Under this policy leasing levels are set to meet industry's desire to obtain large inventories of coal. The previous leasing policy set leasing levels based on the nation's need for coal production.

Under the coal leasing policy now being proposed by the Department, leasing levels will be set on the basis of six alternative "algorithms." These algorithms are almost identical to the guidelines initially developed to implement the leasing for reserves policy of Secretary Watt. If ultimately implemented, they will virtually assure a repeat of the leasing fiasco of 1982-1983.

---

[3] Unfortunately, as NWF has repeatedly informed Department officials, the EIS -- as present conceived -- is woefully inadequate. It will neither include detailed analyses of the recommendations offered by the OTA study nor an evaluation of whether there is a need for extensive new coal leasing.

To avoid future overleasing of coal and thereby assure more rational management of federal resources, the new Secretary should repudiate the concept of leasing to meet industry's demand for reserves.

2. Issue coal leasing unsuitability criteria for wetlands, economic and technological reclaimability, sole-source drinking water supplies and air quality (PSD).

From an environmental standpoint, no element of the federal coal leasing program is more important than the unsuitability criteria. There are presently 20 such criteria which are used to determine which lands are off-limits to coal development due to important environmental characteristics.

In response to criticism in the OTA coal leasing study,[4] the Bureau of Land Management is currently conducting a review of the application of the unsuitability criteria. However, in addition to improving the application of the criteria, the existing criteria should be expanded. In particular, unsuitability criteria should be established for wetlands, sole-source drinking water supplies, reclaimability, and air quality.

The Department decided in 1979 to include wetlands in the unsuitability criteria, but for unexplained reasons failed to include it in the final coal leasing regulations. The report of the Department's Wetlands Task Force indicates that such a criteria would serve,

---

[4] Environmental Protection in the Federal Coal Leasing Program, Office of Technology Assessment, May, 1984.

> as a step towards satisfying the E.O. [Executive Order No. 11990] requirement that each agency "provide leadership and take action to preserve and enhance ... wetlands" and as an additional step towards fully implementing the requirements of Section 522 of SMCRA.[5]

Unsuitability criteria for the protection of sole-source drinking water supplies, air quality and reclaimability have been recommended by the Environmental Protection Agency. The EPA indicated that these "important criteria were missing" and proposed their inclusion.[6]

Moreover, a recent United States Geological Survey report indicates that "the effects of mining on ground waters probably will be much more severe and have a longer duration than effects on surface waters."[7] Yet, sole-source community drinking water supplies are not afforded protection through the unsuitability process.

Finally, we believe that the failure to include reclaimability as an unsuitability criteria is not only unwise, but is also unlawful. The Surface Mining Control and

---

[5] "Wetlands Task Force Issue Paper on Proposed Options for a Wetlands Criterion to Determine Lands Unsuitable for Mining ...," Department of the Interior, December 21, 1979, p. 2.

[6] Final Environmental Statement, Federal Coal Management Program, Bureau of Land Management, April, 1979, p. k-164.

[7] Hydrology of Area 54, Northern Great Plains, and Rocky Mountain Provinces, Colorado, and Wyoming, U.S.G.S., Water Resources Investigations Open File Report, 83-146, p. 8.

Reclamation Act specifically states that an area shall be designated unsuitable if "reclamation pursuant to the requirements of this Act is not technologically and economically feasible." Failure to incorporate this criteria not only places fragile soils at risk, but also adversely impacts wildlife habitat, water quality, and other resources.

B. STRIP MINING

3. Settle the pending litigation over the extreme surface mining regulations issued by Secretary Watt as a first step toward developing a responsible set of environmental standards.

One of the Department of the Interior's primary responsibilities is enforcement of the Surface Mining Control and Reclamation Act. Acting through its Office of Surface Mining (OSM) the Department is charged with setting standards for protecting the environment from the impacts of coal mining and seeing that those standards are enforced.

Unfortunately, through a combination of neglect and mismanagement, the Office of Surface Mining has fallen into a state of disarray. A Vice President of the National Coal Association was recently quoted as saying "there has been a rudderless look to the place."[8] Large portions of the agency's responsibilities are being conducted under Court orders, its staff is stretched thin, and morale is poor. Although Secretary Clark has made rehabilitation of OSM a top priority, little progress has been made.

In the near future, NWF will send to the Secretary a comprehensive set of recommendations for dealing with the management and enforcement crisis at the Office of Surface Mining.

---

[8] "Strip Mining Regulation is Crumbling" Business Week (November 5, 1984).

A top priority for Secretarial action in this area should be restoration of a reasonable set of environmental regulations for controlling surface mining.[9]

In response to a series of lawsuits filed by the Federation and other groups, a federal judge has overturned roughly 40 of the Watt rule changes.[10] Another 55 rules are awaiting another ruling by the judge, expected early this spring. The judge's decisions to date require OSM to draft new regulations, a process that could take several years and itself result in further legal challenges.

Resolution of the pending litigation is in everyone's interest. The new rules have generated chaos and uncertainty. Neither the states nor industry can plan adequately for future coal mining since no one knows what environmental standards ultimately will govern that mining. The Department continues vigorously to defend the rules although OSM officials, state regulators and even some industry representatives privately admit that many of them are extreme or illegal and should be changed.

---

[9] Under former Secretary Watt, the Department rewrote 91% of the surface mining rules -- weakening many important environmental standards and repealing others altogether. Extreme changes were made in such important topics as protection of fish and wildlife, mining on public lands -- including mining within National Parks, Wildlife Refuges and National Forests -- revegetation of mined lands, protection of prime farmland and bonding of coal miners.

[10] The rulings came in two opinions: In re: Permanent Surface Mining Regulation Litigation II, No. 79-1144, slip.op. (D.D.C. October 1, 1984) and In re: Permanent Surface Mining Regulation Litigation II, No. 79-1144, slip.op. (D.D.C. July 6, 1984). Both industry and the government have appealed these decisions.

A reasonable compromise on the dispute over the rules will be possible only if the Secretary exercises strong personal leadership. After a meeting with the Solicitor, the Federation and its fellow plaintiffs sent a comprehensive concept paper for settling the remaining issues in the lawsuits to the Department on December 3, 1984. No answer has yet been received to that paper. As a first step toward settling the pending disputes, the Secretary should personally examine our proposals and order high level negotiations.

C. ON-SHORE OIL AND GAS LEASING

4. Assure adequate environmental review of existing leases before issuing permits for onshore oil and gas operations. This is especially important for the "no surface occupancy leases" which have previously had limited environmental review.

In the past four years, the leasing of on-shore lands for oil and gas development has proceeded at a break-neck pace. Today, roughly 60% of all federal land in the lower-48 states that can be leased, has been leased. The percentage of leased lands is over 90% in some states.[11]

While oil and gas leasing has accelerated at unprecedented rates into more environmentally sensitive areas, as much as 90% of this leasing has been accomplished without the preparation of any environmental assessments to determine the potential impacts of development. Such leasing has occurred even in highly sensitive areas, including lands designated by the BLM as "areas of critical environmental concern."

The BLM has often justified leasing in these areas without conducting a pre-lease environmental review by reliance upon "no surface occupancy" stipulations. These stipulations prohibit a company from entering onto the leased lands until a permit has been issued by BLM. The BLM's theory has been that it need not undertake environmental analysis at the lease stage because stringent environmental stipulations can be imposed on the company when it applies for a permit.

---

[11] See, for example, Public Land Statistics - 1983, Bureau of Land Management, April, 1984, p. 126, and Mineral Access Status of the Federal Lands, American Petroleum Institute, August, 1983.

There are at least three major problems with this approach: First, once a lease has been issued BLM historically has been reluctant to impose strict environmental standards on the companies. Second, there appears to be inadequate resources and personnel for undertaking the promised environmental review at the permit stage of the process. Third and finally, there are no adequate procedures and standards for imposing environmental constraints at the permitting stage.

The new Secretary should move to overcome these problems. He should assure that adequate resources are available for reviewing oil and gas permit applications. In addition, he should issue regulations setting specific standards for the environmental review of on-shore oil and gas leases at the permitting stage. These standards should provide for advance public notice and comment wherever significant resources may be adversely affected, such as the permitting of operations in critical wildlife habitat, "areas of critical environmental concern," and floodplains. Specific procedures to ensure compliance with federal statutes protecting sensitive resources (such as the Endangered Species Act) should be established. The standards should provide for an assessment of the bonding required to insure compliance with all lease stipulations and site-recovery.

Finally, these standards should require an environmental assessment which examines potential impacts from development assuming the discovery of a viable oil or gas field. This requires examination of potential impacts on an area-wide basis, including the potential construction of roads, pipelines, and drill pads.

D. OCS LEASING

5. Abandon area-wide leasing and substantially reduce the acreage planned for leasing over the next five years.

Secretary Watt's decision to place the entire Outer Continental Shelf up for leasing unnecessarily placed the sensitive resources of our oceans and coastal lands at risk. Area-wide leasing has a number of serious drawbacks. It leapfrogs careful environmental planning, forcing decisions to be made on the basis of weak science. It telescopes land-use planning and impact assessment by coastal states. And it virtually eliminates environmental inventories to identify the most sensitive biological systems. Analysis should be done on specific tracts or groups of tracts within limited areas -- the precise opposite of the area-wide approach.

This rush to lease areas of the OCS has resulted in a dramatic increase in the backlog of undeveloped leases. Today, there are nearly four times as many non-producing leases held by developers than the total number of leases brought into production in the last decade. The failure of the Department's attempts to offer leases in the North Atlantic is at least in part attributable to the glut of undeveloped leases already issued.

In addition, the accelerated leasing of OCS lands for oil and gas development has resulted in plummeting returns to the federal Treasury. Bidding for new OCS leases has dropped to an all time low in dollars per acre. Despite requirements to obtain "fair market value," area-wide leasing continues to offer more leases when every expectation is that even lower bidding may result.

Area-wide leasing should be abandoned, and replaced with a tract selection process whereby only areas of high industry interest are considered for leasing. This will allow a substantial reduction in the acreage offered over the next five years and a reduction in the acreage offered in individual sales. This would, in turn, allow for an adequate level of detail in pre-lease environmental reviews, and help to ensure the receipt of "fair market value" for federal OCS leases.

6. Defer leasing in Alaska's Bristol Bay until other less biologically sensitive areas are leased.

Despite record levels of undeveloped leases, the Department intends to offer OCS leases in the Bristol Bay in the coming year. This area contains some of the most productive fisheries grounds in the world. Millions of king, chum, coho, and sockeye salmon move into and out of the lagoons and freshwater systems along the northside of the Alaska Peninsula adjacent to the proposed sale area. The major portion of the Bristol Bay Tanner crab fishery lies in the heart of the proposed sale area. It also includes one of the world's great migration crossroads -- over a million birds have been recorded along the north shore of the Alaska Peninsula in the fall. Finally, the area is prime habitat for numerous marine mammals and lies across the migratory pathway of six species of endangered whales.

In contrast to these tremendous biological resources, the hydrocarbon resources of Bristol Bay are minimal. DOI estimates that only 0.2 billion barrels of oil are potentially available -- less than one-half of one-percent of the nation's total offshore hydrocarbon reserves.

These significant resources must not be placed at risk in an effort to recover only a two week supply of petroleum. The Bristol Bay should be declared off-limits to leasing until other less biologically sensitive area are leased.

E. PARKS AND REFUGE ACQUISITION

7. Acquire at least $400 million in lands per year through the Land and Water Conservation Fund.

The Department has been irresponsibly slow in acquiring critically needed lands for National Wildlife Refuges, National Parks, and Bureau of Land Management recreation areas. As the result of its failure to request funds for and spend adequate funds from the Land and Water Conservation Fund, the Department is permitting the destruction of vitally needed lands. In addition, needlessly slow acquisition is producing a major backlog of lands that should be purchased, increasing the price that must be paid for those lands when they ultimately are acquired, and leaving willing private sellers in a state of limbo where they are unable to sell to the federal government and unable to find a private purchaser due to the possibility of federal acquisition.

The Department requested an average of only $56 million per year from FY 1982 through FY 1984. For FY 1985 the Department did increase its land acquisition request significantly, to $242 million, but even that proposal fell far short of the $393 million in acquisition needs estimated by NWF in 1984. Moreover, the LWCF monies appropriated by Congress over the past 4 years, which were consistently greater than the Administration's request, have not been spent in a timely fashion by the Department. By way of example, Secretary Clark has failed to authorize the purchase of the Buenos Aires Ranch in Arizona as a refuge for the endangered masked bobwhite quail in spite of Congressional approval of the purchase, the willingness of the landowner to sell, and strong state support for the purchase.

The incoming Secretary should:

1) Request supplemental appropriations to bring the FY 1986 Departmental LWCF request up to $400 million;

2) Request and support LWCF appropriations of at least $400 million in the FY 1987 budget and in future years;

3) Instruct DOI agencies to intensify their land acquisition efforts in order to make efficient, rapid use of money already appropriated and to reduce the backlog of areas authorized for acquisition;

4) Immediately authorize the acquisition of areas, such as the Buenos Aires Ranch, awaiting Secretarial decision.

F. FISH AND WILDLIFE MANAGEMENT

8. Implement an aggressive program to eliminate lead poisoning of wildlife.

The problem of lead shot poisoning in waterfowl has been recognized for decades. According to the Fish and Wildlife Service, 1.6 to 2.4 million ducks die annually from lead poisoning.[12] Lead shot is also responsible for the deaths of a number of other federally-protected migratory birds, most notably the endangered bald eagle. The FWS has now documented at least 80 bald eagles that died from lead poisoning since 1966. More than half of these mortalities have occurred in the last 4 years.[13]

Shortly after Secretary Clark took office he stated publicly that the magnitude of waterfowl losses to lead poisoning was "totally unacceptable." Responding to continued pressure from a number of parties -- and especially from NWF -- the Secretary directed that a working group be appointed to reach a consensus on the issue and define what to do about it. The Department was to then formulate a plan of action that embraced this consensus and any necessary action. However, to date planning on this issue has been extensive but no substantive progress toward eliminating the lead poisoning problem in wildlife has occurred. State wildlife agency directors and others have become increasingly vocal in criticizing the DOI for its failure to act.[14]

---

[12] U.S.D.I., U.S.F.W.S. 1976. FEIS-proposed use of steel shot for hunting waterfowl in the United States. Washington, D.C. 276 pp.

[13] U.S.F.W.S. 1984. Migratory Bird Management Office files.

But, we are no closer to eliminating lead poisoning in wildlife resources than we were when the Reagan Administration first took office. The incoming Secretary should rectify this situation by taking steps to:

1) Promulgate final regulations establishing nontoxic shot zones in 1985-1986 for the protection of bald eagles, waterfowl, and other migratory birds identified in the NWF's August 1, 1984 petition.[15]

2) Promulgate final regulation no later than May 1, 1985 on gu~~idel~~ines-for minimum criteria for identification of nontoxic shot zones for waterfowl hunting.

---

[14] For example, see C.D. Besadny's January 3, 1985 letter to R.A. Jantzen.

[15] FWS previously stated that a proposed regulation in response to the petition would be published by December 15, 1984 [49 Fed. Reg. at 36292]. To date there has been no such publication.

3) Immediately rescind the Fish and Wildlife Service January 27, 1983 policy on use of nontoxic shot on National Wildlife Refuges ("Policy Regarding Use of Non-toxic Shot on NWRs) and adopt Option II (elimination of toxic shot for waterfowl hunting on all refuges) contained in the Division of Refuge Management's October 31, 1980 Issue Document.

4) Immediately adopt a policy that establishes the objective of an eventual phase-out of lead shot for all migratory waterfowl hunting and work with the Congress to introduce legislation instituting the policy.

5) Urge the Congress to eliminate the "Stevens amendment" or "steel shot rider" from the FY 1986 DOI Appropriations Budget and all future budgets.

9. Support and actively advocate the reauthorization of a strengthened Endangered Species Act, including (1) continued, full protection for threatened and endangered species dependent upon adequate water flows in western rivers; (2) increased protection for endangered plants; and (3) increased protection for candidate species.

The Endangered Species Act must be reauthorized by September 30, 1985. Under former Secretary Watt, the Department did not play a major role in the 1982 reauthorization of the

Endangered Species Act, electing instead to limit its contribution to a request for a one-year extension of the Act to allow "the time necessary to prepare recommendations for major changes necessary to improve the Act." The incoming Secretary should direct the Department to support and actively advocate provisions in the Act which will maintain and enhance endangered species protection.

There are three key issues that are likely to be considered during this year's reauthorization process:

1) Whether threatened and endangered species and the habitats of those species which are dependent on adequate river flows for their existence will continue to receive full protection under the Act or whether special exemptions will be adopted to accommodate western water interests. The incoming Secretary should forcefully reject amendments that would exempt western water developers from the requirements of the Endangered Species Act.

2) Whether the current prohibitions on protection of threatened and endangered plants will be broadened. Presently the only prohibition on taking of protected plants is a ban on collecting such species from areas under federal jurisdiction. As such the ESA does not address many of the common threats to listed plants and candidates for listing.

The incoming Secretary should support proposals to provide increased protection for threatened and endangered plants.

3) Whether the Fish and Wildlife Service will be given the power to protect candidate species. More than a thousand such species have been identified in the U.S. alone but because of inadequate funding and personnel more than 25 years will be required just to extend protection to these species already known to be threatened or endangered. Many of these candidate species have suffered serious declines since being identified and cannot wait 25 years to receive protection.

The incoming Secretary should support proposals to provide protection for candidate species known to be imperiled.

10. Repeal the directive ordering expansion of economic uses on National Wildlife Refuges and support wildlife management as the primary mission of refuge management.

The National Wildlife Refuge System consists of over 400 units of land and water designed to perpetuate various species of wildlife, especially migratory birds and endangered species. Under former Secretary James Watt a directive was issued ordering the expansion of a broad range of economic uses on refuges. To make matters worse, decisions concerning which uses would be allowed on refuges were too often made on political grounds rather than on the basis of the expert judgment of wildlife professionals.

An internal study of the refuge system showed over 7,000 specific threats to refuges, ranging from overuse by the public to toxic chemical problems.[16] Numerous examples of less than enthusiastic administration support for the refuge system under both Secretary Watt and Secretary Clark could be cited, but one of the current examples is Secretary Clark's refusal to support the Fish and Wildlife Service's selected course of action to manage the C.M. Russell NWR in Montana. The CMR is a large refuge where livestock interests have long dominated the wildlife purposes of the refuge. Recent court decisions have made it clear that wildlife management is the primary purpose of the refuge and FWS designed a plan to implement the court ruling.[17] However, Secretary Clark, bowing to pressure from the livestock industry, has refused for the present to allow the FWS to manage the CMR with wildlife as the primary purpose. Instead, the Secretary has formed a new interagency study group to review the FWS proposed action.

---

[16] "Fish and Wildlife Service Resource Problems," U.S. Fish and Wildlife Service, July, 1983.

[17] Schwenke v. Secretary of the Interior, 720 F.2d 571 (9th Cir. 1983)

Although internal analysis by FWS shows there is little demand to increase economic uses on refuges and that such actions would be costly to the government, the directive still stands.

The new Secretary of the Interior should make it clear that the Fish and Wildlife Service is not to promote, enhance, or encourage alternative uses of the wildlife refuge system. He should repeal the directive ordering expansion of economic uses on refuges and issue, in its stead, a directive making it clear that refuges must be managed primarily for the purposes for which they were created.

11. Complete and publish the policy guidance document now under review to clearly define the mission of the fishery program of the U.S. Fish and Wildlife Service.

In recognition of the need to better define and focus its role in fisheries management the Fish and Wildlife Service has been attempting to develop a policy guidance document. Unfortunately the development of this policy has been subverted by appointed officials who are more interested in reducing or eliminating the federal role in fisheries management than in determining what areas are appropriate for federal involvement.

It is crucial that the development of this policy and definition of FWS responsibility not be compromised by short-term political decisions. In general FWS must better delineate its responsibilities to recognize the need for: 1) more comprehensive and better coordinated management of fisheries resources, especially fisheries that are interjurisdictional in nature, such as coastal migratory species; 2) increased attention to ensuring the fitness of fisheries resources and protection of their habitat and ensuring against their unregulated use; and, 3) greater recognition of the increasing economic and social importance of recreational and commercial fisheries, especially in high use areas such as on public lands and urban areas.

Specific program responsibilities that must be defined and adopted include the following:

1) Restore fisheries and fish habitats for those species and ecosystems where there is a clear federal responsibility.

2) Ensure mitigation of fisheries resources adversely affected by federal development activities.

3) Protect and restore endangered and threatened species and their habitats and species and habitats that are at risk or in danger of becoming stressed from natural or man-made factors.

4) Manage fisheries resources on federal lands cooperatively with states and other federal agencies with cost sharing as appropriate.

5) Maintain a leadership role in scientific research and development of management technology on fisheries.

6) Enhance public awareness of fisheries resources and provide for additional public involvement in federal fishery resource programs.

G. WETLANDS PROTECTION

12. Insist on a new Memorandum of Agreement with the Army Corps of Engineers (Army) on Section 404 that will require the Army to honor the Department's requests for further review of a project's natural resource impacts.

Section 404 of the Clean Water Act is the key mechanism by which the federal government protects wetlands. Although the Army Corps of Engineers (Army) has primary responsibility for the 404 program, resource agencies, such as the Department of the Interior, also review proposed 404 permits. Disagreement between the Department of the Interior and Army over the resource impacts of a permit may result in elevation of a permit to higher administrative levels within the Army for additional review. However, in 1982 Army and DOI signed a new Memorandum of Agreement (MOA) that greatly restricted the Interior Department's ability to protect fish and wildlife through additional permit review. Since the new agreement was signed the Army has refused the majority of Interior requests to elevate disputes to higher level officials, and the Army has not modified, conditioned, or overturned any of the few permits that DOI was able to elevate for additional review.

As of November 1984, the refusal of the Assistant Army Secretary to accept the Department's recommendations on those permits the Department sought to elevate has caused the destruction or degradation of over 69,000 acres of wetlands.[18] Twenty-three times over the past two and one-half years the Department's permit elevation requests have been rejected by Army. Environmental problems with these permits have led four to be litigated and four to be considered by EPA for veto actions under Section 404(c). The present 1982 MOA also has resulted in a thirteenfold increase in the number of permits elevated.[19] These problems with the MOA led former Interior Assistant Secretary G. Ray Arnett to conclude that "Army's regulatory program is so flawed, it is no longer a usable tool to adequately protect wetlands."[18]

However, the increased number of elevations, lawsuits and 404(c) actions necessitated by the 1982 MOA can be greatly reduced while protecting the environment if the interdepartmental agreement is modified. Specifically, the incoming Secretary should insist that the existing 1982 MOA be amended as follows:

1) The Army should be required to conduct further review of 404 permits at the request of the Assistant Secretary for Fish, Wildlife and Parks.

---

[18] Letter from the Assistant Secretary of the Interior for Fish, Wildlife and Parks, G. Ray Arnett, to the Acting Assistant Secretary of the Army (Civil Works), Robert K. Dawson, November 7, 1984.

[19] Letter from the Secretary of the Interior, William Clark, to the President of the American Association of Port Authorities, J. Ron Brinson, September 12, 1984.

2) Requests by the Department for additional permit review (elevation) should be allowed on the basis of concern for the fish and wildlife resources affected.

H. BLM LAND SALES

13. Prohibit the sale or exchange of public lands which have not been reviewed for wildlife and environmental values in Resource Management Plans.

Since taking office this Administration has sought to "privatize" the resources of our public lands. This privatization policy has taken various forms, from outright sales of public lands to the adoption of management policies which have resulted in de facto control of public lands by private interests. With respect to the Administration's proposal to sell millions of acres of the public domain, the Administration has now abandoned that goal as a result of intense public opposition, lack of support in Congress, and objections from western state governors. However, though the Administration has tempered its overt policy of selling large portions of our public lands, rules issued by the Department in 1984 provide the regulatory framework for such sales in the future by: (1) considerably broadening the opportunity for non-competitive land sales; (2) allowing tracts of public lands to be "nominated" for sale by interested buyers outside of the land use planning program; and (3) weakening the public notice and comment opportunities with respect to land sale decisions.

In addition to outright sales of public lands, the Bureau of Land Management has stepped up its land exchange program with states and private individuals. Although a policy of exchanges of public lands for private lands of equal value often is preferable to outright sales of public lands, the large volume of acreage exchanged in recent years raises concerns about the quality of lands relinquished from federal ownership. Especially troublesome is the fact that the Bureau does not have a clear policy for protecting wildlife and recreation values on lands it proposes to exchange, and the opportunities for meaningful public participation in exchange decisions is very limited.

The incoming Secretary should take steps to revise the current land sales and exchange program by: (1) prohibiting the sale or exchange of any lands which have not been adequately reviewed for their wildlife, environmental, and public access values in Resource Management Plans; (2) reinstating the opportunities for public comment and review of land sale proposals which were eliminated in the 1984 rules change; and (3) adopting a formal policy for exchanges which assures that lands relinquished from federal ownership will have their wildlife values protected, and lands acquired for the public domain will contain wildlife habitat values which are at least equivalent to those on the relinquished lands.

I. BLM RANGELAND MANAGEMENT

14. Support a revised grazing fee formula which bases federal grazing fees on rates charged for comparable private lands and use the additional fees to rehabilitate damaged public lands.

The BLM administers approximately 170 million acres of public lands in the West which are considered "rangelands" upon which approximately 24,000 permits have been issued to livestock operators to graze about 4.3 million cattle, sheep, and goats. Although these lands are supposed to be managed for a variety of uses, including their environmental, fish and wildlife, ecological, water resource, recreation, and scenic values, livestock grazing continues to be the predominant use on the vast majority of these lands. Despite the fact that the grazing of livestock is a commercial use of these lands, the BLM has consistently lost money on livestock grazing fees.

According to a recent report by the House Appropriations Committee's Surveys and Investigation staff, the net cost of the Department's grazing program over the past ten years was approximately $200 million.[20] A recent Forest Service/BLM survey of fees charged for grazing on private lands indicates that such fees vary from $4.68 to $8.55 per Animal

---

[20] House Appropriations Committee Surveys and Investigation Staff Report, "BLM Grazing Management and Rangeland Improvement Program," April, 1984, p. 6.

Unit Month (AUM), as compared to the current $1.37 per AUM charged by the BLM and Forest Service under the current grazing fee formula. In addition, two-thirds of all western livestock operations have no access to public lands. As a result, the current grazing fee formula amounts to a large unmerited subsidy for a minority of western livestock producers, at a time when there is growing public concern about budget deficits.

The Secretary should support a new grazing fee formula which captures the fair market value of grazing on the public lands. The determination of fair market value should be based on the rates charged for grazing by private landowners in the vicinity of public lands.

Our western rangelands continue to suffer from the effects of poor rangeland management practices. According to a recent BLM report, approximately 60% of our public rangelands are producing forage at less than half their potential.[21] Receipts from the increased fees should be used to cover the costs of the grazing program, and to rehabilitate the public lands for fish and wildlife habitat and other uses.

---

[21] Bureau of Land Management, "50 Years of Public Land Management," p. 20

J. BLM WITHDRAWAL REVIEW PROGRAM

15. Suspend the "withdrawal review program" and reinstate all resource protection classifications terminated under the program pending their complete review under the Department's land use planning program.

Significant portions of our nation's public lands historically have been placed off limits to mining, economic development and sale or exchange through various land use designations -- including withdrawals and land use classifications. In the past four years, the Interior Department has arbitrarily revoked or terminated over 120 million acres of these protective designations. It has often done so without adequate public notice, without properly evaluating its actions in land use plans, and without informing Congress as required by federal law.

These actions, conducted under the so-called "Withdrawal Review Program" have opened up to economic development lands previously used for recreation, and fish and wildlife habitat. The incoming Secretary must immediately suspend the withdrawal review program pending adequate review of all protective classification in Resource Management Plans. Finally, the new Secretary should reinstate all of the protective land classifications and withdrawals that were improperly and illegally revoked or terminated.

K. BLM LAND USE PLANNING

16. Establish a firm schedule for completion of quality Resource Management Plans in all resource areas within the next five years.

The Federal Land Policy and Management Act (FLPMA) directs the Bureau of Land Management to carry-out a comprehensive land use planning program for the nation's public lands. This mandate was an effort to assure that Bureau decisions about the use of certain resources such as coal, oil and gas would minimize adverse impacts on other resources such as wildlife. The land use planning program was envisioned by Congress as the means by which the Bureau would obtain the comprehensive information it needed about all of the natural resources occurring on public lands in order to make intelligent decisions about the use of those resources.

The heart of the land use planning process envisioned by Congress is the Resource Management Plan (RMP). The RMP is the land use plan which is supposed to examine the resources in a given area and provide the basis for decisions on such diverse topics as coal leasing, grazing, oil and gas development, fish and wildlife management, recreation, and the like.

Unfortunately, although it is over eight years since the passage of FLPMA, the drafting of RMPs is in a state of disarray. Among the significant problems facing the BLM land use planning are the fact that:

1) The program has been very slow in getting started. As of January, 1985, only 5 RMPs have been approved.

2) The planning program is not viewed by the Bureau as a means of making management decisions for the public lands. Instead, many Resource Management Plans (RMPs) simply serve as *post hoc* rationalizations of decisions which have been made prior to preparation of RMPs.

3) There is no consistency in the quality of the RMPs: There is no consistent format for RMPs; there are apparently no uniform standards of data quality which guide Bureau land managers in the preparation of RMPs; and the treatment of important individual resources issues varies widely between RMPs.

4) The Department is still authorizing the preparation of amendments to pre-FLPMA Management Framework Plans (MFPs) in many planning areas, rather than the preparation of new RMPs. MFPs generally contain only rudimentary data about the resources occurring on public lands. Yet, in 1984 the Bureau authorized the preparation of nearly 50 MFP modifications throughout the West as a method of complying with the law's planning requirements.[22]

---

[22] 49 *Federal Register* 4536-8, February 7, 1984.

In order to get the planning program on the right track, the new Interior Secretary should make clear to BLM managers that the resource management planning process serves as the framework for all resource management decisions affecting public lands. Second, he should order better quality control in the preparation of RMPs. This will entail higher standards for data adequacy in RMPs, and the adoption of a uniform format for all plans. Thirdly, he should declare all MFPs to be considered obsolete, and should instruct the Bureau to establish a firm schedule for replace all MFPs with quality RMPs within the next five years.

L. PUBLIC LANDS ACCESS

17. Initiate actions under existing legal authorities to open up those public lands that have been closed to the public by federal livestock permittees and adjacent landowners.

Federal livestock permittees and persons owning property adjacent to public lands have increasingly locked sportsmen, recreational users and other members of the public off the public lands. Instances of livestock operators blocking access to public lands by locked gates or fences are widespread.

People aren't the only ones being denied access across government owned lands. The BLM has allowed fences to be installed on many BLM lands which thwart the free movement of wildlife. For example, over a million acres of land within the Roswell District in New Mexico has been fenced with net wire, resulting in extreme population losses to local antelope herds.

The new Secretary can and should stop these abuses. For example, the Bureau's grazing regulations authorize the Bureau to specify terms and conditions in permits (43 C.F.R. 4130.6-2). In areas where permittees have denied access to public lands, permits can be conditioned to allow such access and cancelled for failure to comply with such conditions.

Another remedy exists under the Unlawful Enclosures of Public Lands Act (43 U.S.C. Section 1061-1066). That statute prohibits the erection of fences on public lands which prevent or obstruct "free passage" of any person across such lands (43 U.S.C. Section 1063). A recent Regional Solicitor's Opinion indicates that sufficient legal authority exists under this statute for the government to stop the closing of public lands.[23]

Given the growing magnitude of the problem, the Secretary should direct the BLM Director to use these and any other existing authorities to guarantee both the public and wildlife their right of access to public lands.

---

[23] See the August 9, 1984 memorandum from the Regional Solicitor, Rocky Mountain Region, to the State Director, Bureau of Land Management, Cheyenne, Wyoming.

M. MULTIPLE-USE WATER RIGHTS

18. Revoke the current policy of allowing private interests to obtain rights to water on federal lands, and direct the BLM to promulgate a new multiple-use policy which assures that the Bureau's management responsibilities are met.

The use and control of water on the nation's public lands is critically important to the conservation of those lands. Yet, according to the Congressional Research Service the Department has adopted,

> a vigorous policy of subjecting federal interests in water to state law,and is allowing private citizens to file under state law to perfect rights to water sources on the federal lands ...[24]

Under this policy, private citizens are now able to claim rights to water on federal lands, water which will be permanently lost to fish and wildlife and other important public uses. This policy makes it difficult, if not impossible in some states, for the federal government to carry out its responsibilities to manage the public lands in a manner which will protect the quality of water resources, provide habitat for fish and wildlife, and protect the quality of the environment.[25]

---

[24] Congressional Research Service, "Legal Issues Related to the Use of Water on the Federal Rangelands," September 28, 1984, p. ii. This policy is expressed in several documents, including the BLM Director's December 3, 1981 memorandum entitled, "BLM Water Rights -- Stockwatering," and the February 16, 1984 Solicitor's Opinion regarding the Executive order of April 17, 1926 regarding Public Water Reserve No. 107.

There are at least three fundamental problems with the Department's water policy for federal lands:

1) Some states allow water rights to be severed from the land. In allowing livestock permittees, for example, to acquire title to water on federal lands in such states, those permittees can hold claims to water on federal lands after they lose or relinquish their livestock permits. In addition, once a livestock permittee obtains title to the water he may sell it to someone else, or have it piped off the land;

2) In some states "instream flows" -- that is, maintenance of volumes of water in streams to assure that fish and wildlife needs are met -- are not provided for under state law. In such states, a policy which subjects the federal interest to state law can prevent the BLM from meeting its statutory objective to protect fish and wildlife;

---

[25] These obligations can be found in Section 102(a)(8) of the Federal Land Policy and Management Act.

3) Some states do not explicitly recognize fish and wildlife as "beneficial uses" of water under state law. In such states, water rights can only be recognized if a "beneficial use" for that water is claimed. Under such state laws the BLM may not be able to acquire water needed for fish and wildlife, if fish and wildlife are not recognized as "beneficial" uses of the state's water.

In short, the federal obligation to manage the public lands will be frustrated if the Bureau of Land Management continues to permit private citizens to perfect water rights claims on federal lands, and if the Bureau is required to seek water rights on federal lands under state laws. These policies must be reversed.

N. FEDERAL WATER RESOURCES POLICY

19. Issue regulations which provide substantive criteria for the water conservation plans required by the Reclamation Reform Act of 1982.

The Reclamation Reform Act of 1982 requires each irrigation district that has entered into a water contract to develop a water conservation plan. Unfortunately, the existing regulations which establish policies and procedures for administering the Act fail to provide useful guidance, uniform standards, or specific procedures for preparing those plans.

Irrigation is the major use of water withdrawals in the nation. Conservation is often the least expensive and most environmentally acceptable source of new water supplies.[26] Thus, it would be prudent for the Secretary of the Interior to encourage state-of-the-art water conservation measures for those who receive irrigation water from federal reclamation projects.

To this end, the new Secretary should issue new regulations that: (a) set minimum criteria for an acceptable conservation plan; (b) establish timetables for plan development and implementation; and, (c) provide sanctions for noncompliance.

---

[26] For example, see a study of water conservation in the Imperial Irrigation District by the Environmental Defense Fund 1984.

Strong enforceable water conservation regulations will greatly assist the Department in more efficiently managing its massive investment in water projects and will minimize the need for additional investment and the resulting environmental destruction.

20. Initiate an accelerated cost recovery policy to secure the repayment of existing federal investment in water resources projects on a timely basis.

The beneficiaries of Bureau of Reclamation water projects continue to receive water and power that is substantially underpriced. The Bureau has agreed to lenient contract terms, stretched-out repayment periods, irregular payment amounts, and water rates set so low that, for many projects, the government's operating expenses as well as capital costs are not being recovered.

The Department of the Interior's Inspector General has identified a repayment shortfall for six audited Bureau projects that, if left unaddressed, would accumulate to over $10 billion by 2028. Department officials have failed to implement the Inspector General's major recommendations for increased recovery of legally reimbursable costs despite the Administration's pledge to bring efficiency and economy to federal programs.

These six projects could be only the tip of the iceberg. Yet, auditing of the Bureau's repayment process was dropped after the 1977-1981 studies concluded "that substantially more attention is required ... to assure that the beneficiaries, rather than the general taxpayers, bear the burden for reimbursable water and power costs."[27]

The most flagrant fleecing of the taxpayer has been accomplished by reducing current electric rates from federal dams in the Upper Missouri River Basin by allocating 20% of the reimbursable costs of these hydroelectric plants to hypothetical irrigation projects. Under this arrangement, known as the "ultimate development concept," phantom irrigators would reimburse power investment costs, without interest, sometime in the 22nd century.

The unbusinesslike practices of the Bureau of Reclamation combined with the subsidies authorized by Congress promote the excessive use of water and energy resources. Thus, increased emphasis on cost recovery should reduce the damages to fish and wildlife habitat that result from construction and operation of water resources projects.

---

[27] One reason for the inattention to the income side of the Bureau's program is that there is no advocate within the Department of the Interior, answerable to the Secretary, to seek timely reimbursement of the federal investment in water projects on behalf of the nation's taxpayers.

21. Establish standardized non-federal cost sharing criteria for all future water resource development projects and studies, and require all new Reclamation projects to meet generally recognized criteria for economic and environmental feasibility.

Increased cost-sharing is a critical step in reforming the federal water resources development program. If states or other non-federal interests are required to put up some or all of the construction costs of new water projects, they will be encouraged to rank proposed water resources plans and fully evaluate their respective benefits and costs.

Increased efficiency will result from a rational cost-sharing policy. Equity, as well as efficiency, can be achieved when project beneficiaries pay in accordance with the costs they impose and the benefits they receive.

The Administration's announced policy of negotiating cost sharing terms with project beneficiaries on a case-by-case basis will assure neither efficiency or equity.[28] Because it fails to ensure that all parties are treated equally, this policy is unlikely to achieve its stated purpose -- increasing the non-federal share of water project costs. The most lenient of negotiated cost-sharing arrangements will become standard for all. Spared from the discipline of having to share much of the costs, states and local interests continue to press for construction of projects of dubious value.

---

[28] This non-policy was outlined in the President's January 24, 1984 letter to Senator Laxalt and Secretary Clark's statement to the House Appropriations Subcommittee for Energy and Water Development, February 27, 1984.

Strict binding criteria for measuring the economic and environmental feasibility of federal water projects were abandoned when the U.S. Water Resources Council repealed its Principles and Standards for Water Resources PLanning (P&S) in 1983. (48 Fed. Reg. 10250, March 10, 1983.) Fish and wildlife habitat, instream flows, and other environmental objectives now must take a back seat to economic development in federal water resources planning. Moreover, the rules for economic evaluation of projects have been downgraded to mere guidelines. The next Secretary should reinstate the principles and standards as rules, This would result in state-of-the-art economic analysis being made available to Congress, the public, and potential cost-sharing partners for federal water projects, and would restore environmental quality as a co-equal objective of federal water resources planning.

22. Support pending legislation to create a National Water Policy Board.

Since former Interior Secretary Watt abandoned the Water Resources Council (WRC) in 1981, there has been no open discussion of the critical issues and choices facing this country in the area of national water policy and little coordination among federal water resource agencies.

The Cabinet Council on Natural Resources and Environment has not proved to be an appropriate forum for deliberation and coordination of national water policy. The Council has no professional staff, holds few meetings, and provides no process for inputs from states and the public. Thus, it has virtually ignored water resources issues. The Assistant Secretary Working Groups have only met on two issues; the unfortunate repeal of the Principles and Standards for water resources planning, and cost sharing policy. Its strong cost sharing approach was discarded at higher levels.

Pending legislation -- the Omnibus Water Resources bill -- would establish a National Water Policy Board to replace the WRC. The new Board would have a reduced membership and an independent chairman appointed by the President. State concerns with water policy would be facilitated through a regional-state advisory committee to the National Board.

The Board would coordinate federal policies and actions and reduce duplication and conflicts among the two dozen agencies involved with water. It would provide an objective evaluation of the nation's water resources programs to Congress and the public; develop consistent and uniform policies and regulations applicable to federal water agencies; and foster greater state involvement in the development of national water policy.

O. BUREAU OF LAND MANAGEMENT BUDGET

23. Restore the funding ratio for the four BLM renewable resource programs (range management; soil, water, and air; wildlife habitat management; and recreation) to at least 50% of the total budget.

The Bureau of Land Management (BLM) has the dual responsibility to conserve and to develop natural resources. Prior to 1981, the Bureau accomplished this by providing a balance in funding and staffing to both the conservation and development segments of the Bureau. However, current BLM policy has upset this balance by selectively cutting budgets for renewable resource management programs, while enhancing those for resource development programs.[29]

Congress has attempted to restore this balance by consistently appropriating more money than requested by the BLM for its renewable resources programs and appropriating less than requested for the non-renewable resource programs. The BLM Budget request for renewable resources in 1983 and 1984 were $93 million and $77 million, respectfully, but the House and Senate recognized the importance of these programs and appropriated $99 million and $90 million for 1983 and 1984. While reducing the conservation budget, BLM has raised the budget for resource development programs. Funding for non-renewable resource development jumped from $89 million in 1983 to a request of $120 million for 1985.

---

[29] Restoring appropriate funding levels to the Department's renewable resource budget does not necessarily imply increased overall appropriations. There are numerous opportunities within the Department's budget to offset total program costs through program efficiencies. For example, further construction funding for the Bonneville Unit of the Central Utah Project and the San Felipe Division of the Central Valley Project could be withheld until local interests commit to repay the costs now being incurred by the Bureau of Reclamation to build these projects.

The BLM has strayed from its purpose as manager of the nations resources and public lands. It has skewed its focus toward the single goal of resource development and away from equally important areas such as wildlife habitat management; recreation and cultural resource management; and soil, water, and air management.

It is imperative that the attention of the BLM be returned to all of its management responsibilities. The new Secretary should restore balance to the BLM budget process.

Senator WALLOP. Thank you, Jay. Thank you very much.

Mr. Butler.

STATEMENT OF WILLIAM A. BUTLER, VICE PRESIDENT AND GENERAL COUNSEL, NATIONAL AUDUBON SOCIETY, ACCOMPANIED BY BROCK EVANS, VICE PRESIDENT FOR NATIONAL ISSUES

Mr. BUTLER. Thank you, Senator Wallop.

The 550,000 members of the National Audubon Society have a deep and abiding concern about the fate of our nation's public lands.

It has been nearly a century now since our organization was founded, and ever since that time our goals, values and concerns have never changed. Believing as we do that the American people take special pride and enjoyment in the vast abundance and variety of wildlife sharing our country along with us, and concerned that the essential habitat, the home of this wildlife, necessary for its existence has been fast vanishing, we are committed to its protection. It is because the public land policies of the Department of Interior can have such an impact on this habitat, which we humans share, that we are here today.

There is no question, in our view, that the lands under the jurisdiction of the Department of Interior are in many ways the most significant of all our Nation's lands from a wildlife standpoint. The wildlife refuges, a concept pioneered by Aububon, exists specifically for the protection and maintenance of birds and animals; the national parks are the home of numerous rare and threatened species; the rivers, seashores, lakeshores, and the vast domains of the Bureau of Land Management, all are vital if we are to meaningfully protect our Nation's great wildlife resources.

We have testified at the confirmation hearings of many Secretaries of Interior, and our position has always been the same: that the Secretary of the Interior is, among other things, the No. 1 conservationist in this country. It is he who has the power to take or approve executive actions which destroy rivers or let them run free, which permit unnecessarily destructive mineral and fuel extraction activities, and so forth.

This is a great power indeed, and must be exercised wisely, with care and sensitivity.

We recognize that the Secretary of the Interior also has many other responsibilities, including overseeing the development of the Nation's resources. However, we have always felt that the sensitivity to environmental values and ability to balance difficult resource allocation questions is the way that this committee should judge the qualifications and performance of any Secretary of the Interior.

Seen against this background and framework, how then do we judge Mr. Hodel and his qualifications for this office? It is no secret that we were not at all happy with the Department of Interior for its seeming inability to make meaningful and balanced choices between exploitation and protection when Mr. Watt was the Secretary and Mr. Hodel his Under-Secretary, in the early years of the first term of the administration.

It is also true that while Secretary of the Department of Energy, Mr. Hodel made budget choices which promoted nuclear and fossil fuel nonrenewable sources of electric power at the expense of energy conservation and promotion of renewable energy sources—clearly not our policy.

Nevertheless, we are not here today to oppose Mr. Hodel. While we are not exactly reassured by what we know of his past performance and policies, we also believe that times have changed from those days of 3 and 4 years ago in the Interior Department.

It is against this background and in this context that we extend the hand of our organization to Mr. Hodel and offer to cooperate with him as we move forward in the last term of this administration to achieve a truly balanced policy regarding use and protection of our natural resources and to move away from the policies of the past.

Mr. Hodel is indeed a capable and energetic administrator, and we will be more than willing to give him the benefit of the doubt and to work together in every possible way consistent with our values and principles.

For the remainder of our testimony, we'd like to outline briefly some of the major items which we feel should be the proper focus of his attention—and then I will skip this portion from pages 5 through 9 in which we hit upon the particular areas in which we would like to see an alteration in what has hitherto been the policy of this adminstration's Interior Department.

Turning to page 9, to sum up, Mr. Chairman, the Audubon Society believes the time has come for us to look forward rather than backward. We do not wish to dwell upon the concerns of the past; they have been well documented in many hearings before this committee and others over the last 4 years.

The National Audubon Society has always been a bipartisan organization, and has a long history of cooperation with Secretaries of the Interior of both parties, ever since the beginning of our organization in 1905.

We have made every effort to work with the Department of the Interior under both Secretary Watt and Mr. Clark, and have supported it every time we could, especially in matters relating to expenditures for wildlife, and in settling hitherto intractable problems, such as those surrounding the Garrison, ND, diversion project, the Atchafalaya National Wildlife Refuge in Louisiana, and the disposition of Matagorda Island in Texas.

In each of these instances, the Interior Department had been unable to work out a compromise until Audubon took a leading role in negotiations. We have also worked successfully with Secretary Clark and the current Department of the Interior on the steel shot question, and California condor, grizzly bear, and whooping crane preservation.

The National Audubon Society is an organization that believes in consensus rather than confrontation as the preferable way of doing business. Mr. Hodel has a fine reputation as an able administrator and energetic person, and we believe consensus is his goal too. We believe that Secretary Clark has been a great improvement over his predecessor, and hope that Mr. Hodel will continue this trend. We urge a continuation not only in promoting a nonconfrontational style, but also what we have yet to see in this administration, a substantive policy change to restore balance to the Department's twin and equally important responsibilities of resource utilization and preservation.

We are more than willing to meet Mr. Hodel halfway, and to work together to achieve a constructive balance in the vital job of protecting our Nation's resources to the benefits of all Americans.

With that, I will thank you very much.

[The prepared statement of Mr. Butler follows:]

STATEMENT OF WILLIAM A. BUTLER

Mr. Chairman, and members of this Committee:

I thank you for the opportunity to testify on this important subject today. The 550,000 members of the National Audubon Society have a deep and abiding concern about the fate of our nation's public lands; since the Secretary of the Interior is the public official who can most influence public land policy, we feel it is most important to share our views with you on the subject.

It has been nearly a century now since our organization was founded; and ever since that time our goals, values, and concerns have never changed. Believing as we do that the American people take special pride and enjoyment in the vast abundance and variety of wildlife sharing our country along with us, and concerned that the essential habitat -- the home -- of this wildlife, necessary for its existence, has been fast vanishing, we are committed to its protection. And it is because the public land policies of the Department of Interior can have such an impact on this habitat, which we humans share, that we are here today.

There is no question in our view that the lands under the jurisdiction of the Department of Interior are in many ways the most significant of all our nation's lands, from a wildlife standpoint. The wildlife refuges, a concept pioneered by Audubon, exist specifically for the protection and maintenance of birds and animals; the national parks are the home of numerous rare and threatened species; the rivers, seashores, lakeshores, and the vast domains of the Bureau of Land Management, all are vital if we are to meaningfully protect our nation's great wildlife resources. Together with the Agriculture Department's national forests, the federal government controls about a third of the nation's total land.

We have testified at the confirmation hearings of many Secretaries of Interior, and our position has always been the same: that the Secretary of the Interior is, among other things, the number one conservationist in this country. It is he who has the power to take or approve executive actions which destroy rivers or let them run free, which permit unnecessarily destructive mineral and fuel extraction activities, which allow subtle or not so subtle degradation of the great park and refuge systems, or permit too much exploitation of the timber and forage resources under his jurisdiction, at the expense of other values.

This is a great power indeed, and must be exercised wisely, with care and sensitivity. As the holder of the position of the number one conservationist in this nation, we believe that the Secretary of Interior has the gravest responsibility to act as the steward of our nation's scenic and wildlife treasures, taking care that they are passed on to the next generation intact or in better shape than they were before he came to power.

We recognize that the Secretary of Interior also has many other responsibilities: to oversee activities which extract coal, oil, and uranium resources; to supervise irrigation and reclamation projects in the West; and to permit careful extraction of timber and forage resources, to name only a few. The exercise of these responsibilities requires that the Secretary of

Interior be a person who has a truly balanced point of view and approach to the daily questions of how much federal natural resource utilization to permit, or how much protection he must afford so that the vast national environmental assets under his control not be degraded. We have always felt that this sensitivity to environmental values and ability to balance difficult resource allocation questions is the way that this Committee should judge the qualifications and performance of any Secretary of Interior. Mr. Chairman, we simply cannot escape the fact that our laws and our system of government make any Secretary of Interior automatically the most important conservationist in the nation.

Seen against this background and framework, how then do we judge Mr. Hodel and his qualifications for this office? It is no secret that we were not at all happy with the Department of Interior or its seeming inability to make meaningful and balanced choices between exploitation and protection when Mr. Watt was the Secretary, and Mr. Hodel his Under Secretary, in the early years of the first term of this Administration. Mr. Watt's policies, in nearly every area of his jurisdiction, from control of strip mining to national park protection, from acquisition of threatened lands to oil and gas leasing, was the antithesis of a truly sensitive and balanced approach; and in numerous instances, Mr. Hodel was the man who seemed to be actually responsible for carrying out these policies.

It is also true that, while Secretary of the Department of Energy, Mr. Hodel made budget choices which promoted nuclear and fossil fuel nonrenewable sources of electric power at the expense of energy conservation and promotion of renewable energy sources -- clearly not our policy. In fact, when we sent him for review Audubon's extensive energy plan, produced after years of research effort and peer review, he complimented that effort but acknowledged a significant difference of opinion with us. Mr. Hodel's Energy Department was also one of the forces in the Administration most opposed to taking tangible steps to control acid precipitation, taking instead OMB's and the utility industry's point of view that control costs would exceed benefits and that scientific uncertainties militated against control efforts. Needless to say, we are in emphatic disagreement.

Nevertheless, we are not here today to oppose Mr. Hodel. While we are not exactly reassured by what we know of his past performance and policies, we also believe that times have changed from those days of three and four years ago in the Interior Department. It is clear now that the American people will not countenance a return to the policies of massive leasing, at fire sale prices, of our nation's mineral wealth. The American people have repeatedly stated time and again that they cherish our park, wilderness, and wildlife refuge systems, and that they want them expanded and given the full protection of law. Indeed in many ways, the most dramatic result of the policies attempted in the first two years of this Administration was an enormous resurgence of traditional American beliefs in conservation and love for this land and its wildlife resources.

It is against this background and in this context that we extend the hand of our organization to Mr. Hodel, and offer to cooperate with him as we move forward in the last term of this Administration to achieve a truly balanced policy regarding use and protection of our natural resources, and to move away from the policies of the past. Mr. Hodel is indeed a capable and energetic administrator, and we will be more than willing to give him the benefit of the doubt and to work together in every way possible consistent with our values and principles.

For the remainder of our testimony we would like to outline briefly some of the major items which we feel should be the proper focus of his attention and policies as we strive together to reach a more truly balanced approach toward federal natural resource utilization and preservation.

Two critical areas for decision are upon the Secretary-designate almost immediately, and will set the tone for his administration: budget levels and appointments. Too often in the past, those parts of the Department of the Interior, such as the National Park and Wildlife Refuge Systems, which stress conservation of natural resources, have borne a disproportionate burden of any budget cuts and recommendations. In fact, in the last few days it has been publicly reported that the proposed FY-1986 budget passback from OMB to Interior calls for no new acquisitions of lands for natural parks or wildlife refuges. In particular, the Land and Water Conservation Fund, vital to the protection of some of our most significant national treasures, has been most severely reduced and cut -- at the same time that large scale reclamation and irrigation projects continue unabated. This is not a fair balance, and is pennywise and pound-foolish, favoring political expediency over the long-term best interests of the country. We ask Mr. Hodel carefully to review the conservation sections of the Department of the Interior's budget, and to recommend selective increases, rather then further cuts, to offset the damage done by past policies. Postponing acquisition of irreplaceable and authorized potential parkland will only increase the eventual cost of such purchases if they are possible at all.

On the matter of appointments, it is well known that far too often in the last four years, persons have been appointed to top policy positions at Interior who are strongly biased in favor of resource exploitation. The Audubon Society recognizes that utilization of the resources of the public lands is proper in certain instances, under strict controls; it is also vital to our nation's welfare. But persons who are entrusted with the responsibility of overseeing such exploitation must have a truly balanced view and be sensitive to environmental values too.

Regarding the wilderness program, we are very concerned that the wilderness study areas of the Bureau of Land Management be managed in a manner to preserve their potential wilderness status, and that incursions which would disqualify such areas from consideration as wilderness later not be permitted. This is particularly true if the rumored swap of lands between BLM and the Forest Service actually takes place.

Regarding Water projects, we have always been concerned that the Bureau of Reclamation has recommended and pushed for completion of too many projects which do more environmental harm than economic good, and cost the taxpayers unnecessary money. Here is a particular area that cries out for attention when budget cuts are recommended. We strongly favor more state and local cost sharing as well as user fees for the beneficiaries of what projects are funded. We further ask that Mr. Hodel support the compromise recommendations of the Garrison Commission, which Audubon was instrumental in helping to create and which after months of deliberation and consideration, arrived at a true compromise on the question of balancing environmental and reclamation factors in North Dakota.

Regarding strip mining, we would ask Mr. Hodel to reverse entirely the policies of Mr. Watt, and make recommendations to strengthen and enforce the Strip Mine Act in compliance with recent legal victories won by groups like Audubon over efforts by the Department under Mr. Watt to strip the Act of its meaning and force.

Regarding coal leasing, we request Mr. Hodel to accept a more measured pace for such leasing when and if the current moratorium is lifted, and to pay special attention to the environmental impact statement which is currently being created at Secretary Clark's request on the entire issue of coal leasing on federal lands. We would further ask that procedures for coal leasing be thoroughly revamped, so as to prevent the type of situation involved in the Powder River Wyoming leasing scandal.

Regarding outer continental shelf leasing, we feel strongly here that we need a much more measured pace then we have had in the past, plus a real sensitivity to state views in conformance with the Administration's expressed goal of showing greater concern for state and local preferences. This includes not only attention to be paid to consistency with state coastal zone management plans, but also to the environmental concerns of both the states and other federal agencies to insure that environmentally sensitive OCS areas are the last rather then the first to be offered in any future leasing and drilling plans.

Regarding national parks and national wildlife refuges, we ask Mr. Hodel to continue Mr. Clark's policy of both purchase and maintenance, rather than only the latter, as was the policy of Secretary Watt...and to further insure that no activities take place on national wildlife refuges which are incompatible with the uses for which they are primarily intended, i.e. protecting wildlife. This would explicitly mean no extraction of mineral resources, hunting, or extensive cattle grazing where these activities interfere with wildlife values. We ask for immediate authorization for acquisition of critical habitat areas awaiting Secretarial decision, such as the Buenos Aires Ranch for the endangered masked bobwhite quail. Protection for threatened parks, such as Everglades National Park and its water supplies, should be a high priority.

We ask that Mr. Hodel support a strengthened Endangered Species Act, and resist any attempt by Western interests to exempt rivers or watersheds in the West from the terms of the Act. Endangered species listings, as well as recovery efforts, should be accelerated. The efforts to require steel, as opposed to lead, shot nationwide should be given greater priority, and the transition accelerated. Federally-run anadromous fish hatcheries should be retained to mitigate adverse effects of federal water projects upon migratory species like salmon. And wetland protection and acquisition should be a number one Departmental priority.

Regarding grazing on Bureau of Land Management lands, we ask that the Department make efforts to charge a fair commercial rate for that benefit, and take every step required it by law to prevent the sort of overgrazing which in the past has caused erosion problems on some BLM and wildlife refuge lands.

We have a long standing interest and concern about the fate of the Alaska lands under the jurisdiction of the Department of the Interior. We have been particularly concerned that the Department has taken a one-sided approach toward implementation of the Alaska National Interest Lands Conservation Act, favoring development and exploitation at every opportunity. We would like to meet with Mr. Hodel and outline our views with greater specificity, but in particular we feel that he should avoid the type of secret "deal" illustrated by the St. Matthew Island "exchange" with native corporations for subsequent lease as an oil exploration base, a transaction recently voided as the result of an Audubon lawsuit.

To sum up, Mr. Chairman, the Audubon Society believes that the time has come for us to look foward, rather than backward. We do not wish to dwell upon the concerns of the past; they have been well documented in many hearings before this Committee and others over the last four years.

The National Audubon Society has always been a bipartisan organization, and has a long history of cooperation with Secretaries of Interiors of both parties, ever since the beginning of our organization in 1905.

We have made every effort to work with the Department of Interior under both Secretary Watt and Mr. Clark, and have supported it every time we could, especially in matters relating to expenditures for wildlife, and in settling hitherto intractable problems, such as those surrounding the Garrison (N. Dak.) Diversion project, the Atchafalaya National Wildlife Refuge in Louisiana, and the disposition of Matagorda Island in Texas. In each of these instances, the Interior Department had been unable to work out a compromise until Audubon took a leading role in negotiations. We have also worked sucessfully with Secretary Clark and the current Department of Interior on the steel shot question, and California condor, grizzly bear, and whooping crane preservation.

The National Audubon Society is an organization that believes in consensus rather than confrontation as the preferable way of doing business. Mr. Hodel has a fine reputation as an able administrator and energetic person, and we believe consensus is his goal too. We believe that Secretary Clark has been a great improvement over his predecessor, and hope that Mr. Hodel will continue this trend. We urge a continuation not only in promoting a non-confrontational style, but also what we have yet to see in this Administration, a substantive policy change to restore balance to the Department's twin and equally important responsibilities of resource utilization and preservation.

We are more then willing to meet Mr. Hodel halfway, and to work together to achieve a constructive balance in the vital job of protecting our nation's resources to the benefit of all Americans. We are looking forward to working closely with him, the Department of Interior, and this Committee, in helping to resolve to mutual satisfaction the many issues involving the Department which are likely to occupy us legislatively and adminstratively over the next four years.

Senator **Wallop**. Thank you, Mr. Butler.

Mr. Evans, did you have remarks to add to those?

Mr. **Evans**. No, thank you.

Senator **Wallop**. Mr. Painter.

STATEMENT OF WILLIAM PAINTER, WASHINGTON PROGRAMS DIRECTOR, DEFENDERS OF WILDLIFE

Mr. **Painter**. Mr. Chairman, I am William Painter, Washington Program Director of Defenders of Wildlife. The goal of Defenders' 65,000 members is to preserve, enhance, and protect the natural abundance and diversity of wildlife and its habitat. The work of the Department of the Interior is of course central to these concerns.

The Secretary of the Interior is the officer of the executive branch who has the greatest potential impact on our natural resources generally and wildlife in particular. As Mr. Hodel has served in a high position at the Department, he should be able to tell this committee and the American people what policies he expects to pursue if he does become Secretary of Interior.

It is particularly important that we determine what will be Mr. Hodel's policies given that he played a key role in the department during the administration of Mr. Watt. His policies were of concern to a great many Members of Congress, organizations such as ours, and much of the American public.

Although Mr. Hodel cannot be held entirely accountable for the policies of Mr. Watt, we do believe it is essential to determine the extent to which Mr. Hodel does or does not subscribe to the policies of former Secretary Watt.

Endangered wildlife and endangered species is one area of particular concern to our organization. With regard to endangered species, the act itself will be reviewed by the Congress, and we expect the Secretary to support reauthorization and a strengthening of that act.

In addition, a number of management improvements should be adopted within the department. To mention a few, nearly 4,000 species have been identified as worthy of consideration for protection under the ESA. The department should commit itself to reviewing this backlog within ten years and listing species when appropriate.

Focusing personnel efforts on listing, listing as a group those species which occur in the same geographic area and hiring additional plant specialists would expedite listing and prevent an increase in extension of native animals and plants.

Recovery plans for endangered species should be funded and implemented. They are now all too often only paper recommendations that sit on a shelf. Recovery may indeed be expensive at times, but delay results in increased cost ultimately and compromised effect on protecting wildlife.

I cannot leave the subject of endangered wildlife, Mr. Chairman, without expressing great concern about the Interior Department budget to be presented to Congress.

Apparently the administration plans to recommend that no funds be appropriated from the Land and Water Conservation Fund for the acquisition of lands for national wildlife refuges and endangered species.

Disruption of the ongoing program to acquire a central habitat will increase the threat to wildlife and the ultimate cost to taxpayers. Key species such as the Florida panther could be affected by a halt or slowdownn in land acquisition programs.

Another area of central concern to our organization is wildlife on public lands and wildlife refuges in particular. Defenders believes that in order to restore the needed protection our Nation's wildlife refuges, the Secretary should withdraw Secretary Watt's July 1982 directive to increase commercial development on wildlife refuge lands, place a high priority on obtaining the funding and personnel needed to eliminate the over 7,000 threats to refuges identified in the 1982 survey of refuge areas, and implement a program to undertake a study of the impacts on refuges from existing commercial uses, and propose substantive programs for mitigating the adverse impacts. And some such programs could include reductions in such commercial uses.

We believe the Secretary should immediately support an aggressive land acquisition program for refuges by requesting and then spending additional land and water conservation fund appropriations, and that the Secretary should oppose recision of funds that Congress has already appropriated to acquire lands for refuges.

Defenders is also particularly concerned with the implementation of the Alaska National Interest Lands Conservation Act, especially as it affects Alaska's great wildlife resources.

The Secretary of Interior must endorse the intent and spirit of the Alaska Lands Act and revise current Interior policies for Alaska through commiting to pursue no further land exchanges and/or boundary adjustments involving refuges or parks without express congressional approval seeking budgetary increases to conservation programs mandated by ANILCA and decreases in funding for resource development efforts.

The increases in funding should be used for staffing, planning studies, management and enforcement activities for the department, and the Secretary should not proceed with commodity development of key Federal funds in Alaska until the completion of comprehensive conservation plans for refuges, submission of recommendations to Congress for officially designated wild and scenic rivers, and submission to Congress of recommendations for additions to the National Wilderness Preservation System.

Before leaving the subject of wildlife on public lands, I must address two matters related to budget. First, I must reiterate our concerns about drastic cuts if not total elimination of funding for acquisition of—

Senator **Wallop**. Mr. Painter, as you do that, keep in mind that you have reached 5 minutes.

Mr. **Painter**. I am almost done—concerning acquisition of lands for National Wildlife Refuges.

There is also the topic of grazing on public lands. During the next year Congress will be examining many aspects of policy regarding livestock grazing on Bureau of Management land. The Secretary should take a lead in urging the grazing fees be increased in order to reflect true market value for grazing privileges.

Defenders of Wildlife has for a long time been concerned about Interior Department policies governing management of wildlife populations. The new Secretary should order a thorough examination of policies dealing with water fowl. Dramatic decreases in populations of several key species in recent years provide evidence for the need for new program and policy initiatives.

A newly appointed Secretary should undertake a thorough review of the department's policies on predator control with an eye toward reducing expenditures for ongoing lethal programs. There is a pressing need for additional research for demonstration and education in nonlethal predator control techniques.

In conclusion, Mr. Chairman, Defenders of Wildlife urges this committee to seek specific answers from Mr. Hodel regarding these and other important natural resource policies.

If answers are not forthcoming or they do not indicate that Mr. Hodel plans to continue and expand the departure from the policies of Mr. Watt that has been initiated by Secretary Clark, we would be forced to oppose Mr. Hodel's nomination.

We sincerely hope that Mr. Hodel will provide adequate answers to key questions so his confirmation can move forward without delay or debate, and we look forward to working with Mr. Hodel if he is confirmed.

[The prepared statement of Mr. Painter follows:]

Defenders
OF WILDLIFE

TESTIMONY OF WILLIAM PAINTER
WASHINGTON PROGRAMS DIRECTOR, DEFENDERS OF WILDLIFE
BEFORE THE
COMMITTEE ON ENERGY AND NATURAL RESOURCES
UNITED STATES SENATE
ON THE CONFIRMATION OF DONALD HODEL AS SECRETARY OF THE INTERIOR
FEBRUARY 1, 1985

MR. CHAIRMAN, I AM WILLIAM PAINTER, WASHINGTON PROGRAM DIRECTOR OF DEFENDERS OF WILDLIFE. THE GOAL OF DEFENDERS SIXTY - FIVE THOUSAND MEMBERS IS TO PRESERVE, ENHANCE, AND PROTECT THE NATURAL ABUNDANCE AND DIVERSITY OF WILDLIFE AND ITS HABITAT. THE FOCUS OF OUR PROGRAMS IS ON PROTECTION OF ENDANGERED WILDLIFE, MANAGEMENT OF PUBLIC LANDS FOR THE BENEFIT OF ALL NATIVE WILDLIFE, AND PROMOTION OF FEDERAL AND STATE WILDLIFE POLICIES AND PROGRAMS THAT FOSTER HEALTHY, NATURAL COMMUNITIES OF WILDLIFE. THE WORK OF THE DEPARTMENT OF INTERIOR IS, OF COURSE, CENTRAL TO ALL THESE CONCERNS.

THE SECRETARY OF THE INTERIOR IS THE OFFICER OF THE EXECUTIVE BRANCH WHO HAS THE GREATEST POTENTIAL IMPACT ON OUR NATURAL RESOURCES GENERALLY AND WILDLIFE IN PARTICULAR. AS THIS COMMITTEE AND THE SENATE CONSIDER THE NOMINATION OF DONALD HODEL FOR THAT OFFICE THERE ARE CERTAIN BASIC PRINCIPLES AND KEY

1244 NINETEENTH STREET, NW • WASHINGTON, DC 20036 • (202) 659-9510

POLICIES THAT NEED TO BE KEPT IN MIND. AS MR. HODEL HAS SERVED IN A HIGH POSITION AT THE DEPARTMENT OF INTERIOR HE SHOULD BE ABLE TO TELL THIS COMMITTEE AND THE AMERICAN PEOPLE WHAT POLICIES HE EXPECTS TO PURSUE IF HE BECOMES SECRETARY OF INTERIOR. IT IS PARTICULARLY IMPORTANT THAT WE DETERMINE WHAT WILL BE MR. HODEL'S POLICIES, GIVEN THAT HE PLAYED A KEY ROLE IN THE DEPARTMENT DURING THE ADMINISTRATION OF JAMES WATT, WHOSE POLICIES WERE OF GREAT CONCERN TO MANY MEMBERS OF THE CONGRESS, ORGANIZATIONS SUCH AS DEFENDERS OF WILDLIFE, AND MUCH OF THE AMERICAN PUBLIC. ALTHOUGH MR. HODEL CANNOT BE HELD ENTIRELY ACCOUNTABLE FOR THE POLICIES OF HIS SUPERIOR, MR. WATT, WE DO BELIEVE IT ESSENTIAL TO ASCERTAIN THE EXTENT TO WHICH MR. HODEL SUBSCRIBES TO THE POLICIES OF FORMER SECRETARY WATT.

BEFORE ADDRESSING SPECIFIC POLICIES, WE WISH TO ELUCIDATE A FEW BASIC PRINCIPLES AND PRIORITIES THAT WE BELIEVE ANY SECRETARY OF THE INTERIOR SHOULD APPLY. THESE INCLUDE:

1. ENDANGERED WILDLIFE-- THE CONGRESS HAS PROVIDED SPECIAL TOOLS FOR THE SECRETARY OF THE INTERIOR TO ENSURE THE PROTECTION AND RECOVERY OF ENDANGERED AND THREATENED WILDLIFE. THE SECRETARY OF INTERIOR IS THE PRIMARY AUTHORITY CHARGED WITH IMPLEMENTING THE ENDANGERED SPECIES ACT. HE SETS THE STANDARD FOR FEDERAL AGENCIES WITH REGARD TO CONSERVING AND PROTECTING ENDANGERED SPECIES. THIS IS A JOB OF THE HIGHEST PRIORITY FOR THE SECRETARY. HE ALSO HAS AN OBLIGATION TO PREVENT MORE SPECIES FROM BECOMING SO DEPLETED THAT THEY BECOME THREATENED OR ENDANGERED.

2. WILDLIFE ON PUBLIC LAND-- PUBLIC LANDS AND THE WILDLIFE ON

THEM ARE PUBLIC TRUSTS HELD FOR THE NATION. AS TRUSTEE, THE SECRETARY'S DUTY TO CURRENT AND FUTURE GENERATIONS IS TO ENSURE THAT THE LANDS ARE MANAGED ACCORDING TO THE TERMS OF THE TRUST--GENERALLY MANAGED IN SUCH A WAY AS TO ENSURE THAT THE VALUE OF THE TRUST IS NOT DEPLETED, AND THAT THE PRINCIPAL OF THE TRUST REMAINS SELF-SUSTAINING. THE SECRETARY MUST GUARD THE ASSETS OF THE NATURAL ECOSYSTEM INCLUDING ANIMALS, PLANTS, WATER, AND SOIL.

USES OF PUBLIC LANDS, SUCH AS LIVESTOCK GRAZING, TIMBER HARVESTING AND MINERAL EXPLOITATION WHICH CONSUME PUBLIC ASSETS MUST BE SEEN GENERALLY AS PRIVILEDGES, NOT RIGHTS. SUCH USES CAN DEPLETE OR PERMANENTLY DESTROY WILDLIFE POPULATIONS AND EVEN ENTIRE ECOSYSTEMS. EVEN IN THOSE LIMITED CIRCUMSTANCES WHEN SOMEONE HOLDS A RIGHT TO CONSUMPTIVE USE OF PUBLIC LAND, THE EXERCISE OF THOSE RIGHTS MUST BE LIMITED BY THE NEED TO PRESERVE THE HEALTH OF THE RESOURCE.

ON MULTIPLE USE LANDS, SUCH AS THOSE MANAGED BY THE BUREAU OF LAND MANAGEMENT, CONSUMPTIVE USES MUST NOT BE ALLOWED TO CURTAIL OTHER LEGITIMATE USES AND SHOULD BE LIMITED SO AS NOT TO ENDANGER THE RESOURCE ITSELF. TO SUBSIDIZE A CONSUMPTIVE USE ON PUBLIC LAND TO THE DETREMENT OF THE FEDERAL BUDGET, FREE ENTERPRISE, AND THE RESOURCE ITSELF IS A VIOLATION OF THE TRUST.

ON DOMINANT USE LANDS, SUCH AS NATIONAL WILDLIFE REFUGES AND NATIONAL PARKS, OTHER USES MUST ALWAYS BE LIMITED TO THOSE WHICH WILL NOT INTERFERE WITH THE NATURAL RESOURCE VALUES, INCLUDING NATURAL FLORA AND FAUNA, WHICH THE AREA WAS ESTABLISHED TO PROTECT. MANAGEMENT OF THESE AREAS SHOULD BE BASED ON PROTECTING AND/OR RESTORING NATURAL ECOSYSTEMS, RATHER THAN ARTIFICIAL MANIPULATION OF THE ENVIRONMENT.

3. WILDLIFE MANAGEMENT-- FEDERAL PROGRAMS FOR MANAGEMENT OF WILDLIFE POPULATIONS SHOULD BE BASED ON SOUND SCIENTIFIC PRINCIPLES OF ECOSYSTEM MANAGEMENT. IT SHOULD BE RECOGNIZED THAT PROTECTING AND RESTORING THE NATURAL ABUNDANCE AND DIVERSITY OF WILDLIFE CAN OFTEN BEST BE ACHIEVED BY A POLICY OF NON-INTERVENTION.

IN ADDITION TO MR. HODEL'S SOLEMN ASSURANCE THAT HE WILL ABIDE BY THESE PRINCIPLES OF LAW AND REASONABLE MANAGEMENT, THE COMMITTEE SHOULD OBTAIN SOME SPECIFIC POLICY COMMITMENTS FROM MR. HODEL CONCERNING HIS ADMINISTRATION OF THE DEPARTMENT.

ENDANGERED WILDLIFE

IN REGARD TO ENDANGERED SPECIES, THE ACT ITSELF WILL BE REVIEWED BY THIS CONGRESS, BUT A NUMBER OF MANAGEMENT IMPROVEMENTS SHOULD BE ADOPTED WITHIN THE DEPARTMENT.

(1) NEARLY 4000 SPECIES HAVE BEEN IDENTIFIED AS WORTHY OF CONSIDERATION FOR PROTECTION UNDER THE ENDANGERED SPECIES ACT. THE DEPARTMENT SHOULD COMMIT ITSELF TO REVIEWING THIS BACKLOG A WITHIN 10 YEARS, AND LISTING SPECIES WHEN APPROPRIATE; FOCUSING PERSONNEL EFFORTS ON LISTING; LISTING AS A GROUP THOSE SPECIES WHICH OCCUR IN THE SAME GEOGRAPHIC AREA; AND HIRING ADDITIONAL PLANT SPECIALISTS WOULD EXPEDITE LISTING AND PREVENT AN INCREASE IN EXTINCTION OF NATIVE ANIMALS AND PLANTS.

(2) TO FACILITATE BETTER COOPERATION BETWEEN PRIVATE DEVELOPERS, FEDERAL AGENCIES AND THE CONSERVATION COMMUNITY, THE SECRETARY SHOULD PROVIDE MORE INFORMATION ON THE CONSERVATION NEEDS OF

LISTED SPECIES AND THOSE ACTIVITIES LIKELY TO HARM LISTED SPECIES.

(3) THE SECRETARY SHOULD REVIEW IMPLEMENTATION OF SECTION 7, THE PROVISION FOR INTERAGENCY CONSULTATION, TO ENSURE THAT INTERIOR'S RECOMMENDATIONS ARE HEEDED AND THAT RECOVERY, NOT FURTHER DETERIORATION, OF SPECIES IS ATTAINED.

(4) RECOVERY PLANS SHOULD BE FUNDED AND IMPLEMENTED. THEY ARE NOW ALL TOO OFTEN ONLY PAPER RECOMMENDATIONS ON A SHELF. RECOVERY MAY BE EXPENSIVE, BUT DELAY RESULTS IN INCREASED COST AND COMPROMISED EFFECT.

(5) ENFORCEMENT OF THE ACT SHOULD BE ENHANCED TO REDRESS ILLEGAL TAKING OF PEREGRINE FALCONS, CACTI AND OTHER PLANTS, MINNESOTA WOLVES, GRIZZLIES, AND OTHER ENDANGERED AND THREATENED WILDLIFE.

I CANNOT LEAVE THE SUBJECT OF ENDANGERED WILDLIFE WITHOUT EXPRESSING GREAT CONCERN ABOUT THE INTERIOR DEPARTMENT BUDGET TO BE PRESENTED TO CONGRESS. APPARENTLY THE ADMINISTRATION PLANS TO RECOMMEND THAT NO FUNDS BE APPROPRIATED FROM THE LAND AND WATER CONSERVATION FUND FOR THE ACQUISITION OF LANDS FOR NATIONAL WILDLIFE REFUGES AND ENDANGERED SPECIES. DISRUPTION OF THE ON-GOING PROGRAM TO ACQUIRE ESSENTIAL HABITAT WILL INCREASE THE THREAT TO WILDLIFE AND THE COST TO TAXPAYERS. KEY SPECIES SUCH AS THE FLORIDA PANTHER COULD BE AFFECTED BY A HALT OR SLOWDOWN IN LAND ACQUISITION PROGRAMS.

WILDLIFE ON PUBLIC LANDS

DURING THE LAST FOUR YEARS THREATS TO THE NATIONAL WILDLIFE REFUGE SYSTEM HAVE INCREASED GREATLY AS THE RESULT OF PROGRAMS AND POLICIES INITIATED BY FORMER SECRETARY JAMES WATT. INSTEAD

OF DEDICATING PERSONNEL AND FUNDING TO THE CONSERVATION OF WILDLIFE ON REFUGES, INTERIOR'S POLICIES HAVE SERIOUSLY THREATENED THE REFUGE SYSTEM BY: (1) OPENING THE WILDLIFE REFUGES TO POTENTIALLY DAMAGING COMMERCIAL DEVELOPMENT AND (2) SEEKING TO VIRTUALLY ELIMINATE FUNDING FORREFUGE ACQUISITION.

SECRETARY WATT ISSUED DIRECTIVES TO OPEN MILLIONS OF ACRES OF "ACQUIRED" REFUGE LANDS TO OIL AND GAS DEVELOPMENT AND TO EXPAND OTHER ECONOMIC AND/OR CONSUMPTIVE USES OF REFUGES INCLUDING GRAZING, HAYING, FARMING, TIMBER HARVESTING, HUNTING AND TRAPPING. ALTHOUGH IMPLEMENTATION OF THESE DIRECTIVES HAS FOR THE MOST PART BEEN HALTED, THE DIRECTIVES REMAIN IN EFFECT.

DEFENDERS OF WILDLIFE BELIEVES THAT IN ORDER TO RESTORE THE NEEDED PROTECTION TO OUR NATION'S WILDLIFE REFUGES THE SECRETARY SHOULD:

(1) WITHDRAW THE JULY, 1982 INSTRUCTIONS TO INCREASE COMMERCIAL DEVELOPMENT ON REFUGE LANDS;

(2) PLACE A HIGH PRIORITY ON OBTAINING THE FUNDING AND PERSONNEL NEEDED TO ELIMINATE THE OVER 7,000 THREATS TO REFUGES IDENTIFIED IN THE 1982 SURVEY OF REFUGE FIELD STATIONS;

(3) IMPLEMENT A PROGRAM TO UNDERTAKE A STUDY OF THE IMPACTS ON REFUGES FROM EXISTING COMMERCIAL USES, AND PROPOSE SUBSTANTIVE PROGRAMS FOR MITIGATING THE ADVERSE IMPACTS, WHICH COULD INCLUDE REDUCTIONS IN SUCH USES;

(4) PROHIBIT OIL AND GAS LEASING ON REFUGE LANDS IN THE LOWER 48 STATES, EXCEPT WHERE THERE ARE VALID EXISTING RIGHTS OR WHERE OIL BENEATH A REFUGE IS BEING SUBJECTED TO DRAINAGE;

(5) REDIRECT THE EXCESSIVE FUNDING FOR RESOURCE DEVELOPMENT PROGRAMS ON REFUGES TOWARD WILDLIFE CONSERVATION;

(6) UNDERTAKE AN IMMEDIATE AND EXTENSIVE EXAMINATION OF LONG-RANGE REFUGE ACQUISITION NEEDS; AND

(7) IMMEDIATELY SUPPORT AN AGGRESSIVE LAND ACQUISITION PROGRAM BY REQUESTING - AND THEN SPENDING - ADDITIONAL LAND AND WATER CONSERVATION FUND APPROPRIATIONS.

(8) OPPOSE RESCISSION OF FUNDS THAT CONGRESS HAS APPROPRIATED TO ACQUIRE LAND FOR REFUGES.

DEFENDERS IS ALSO PARTICULARLY CONCERNED WITH THE IMPLEMENTATION OF THE ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT (ANILCA), ESPECIALLY AS IT AFFECTS ALASKA'S GREAT WILDLIFE RESOURCES. DURING THE PAST FOUR YEARS, THE DEPARTMENT OF INTERIOR HAS ATTEMPTED TO UNDERMINE THE CONSERVATION MANDATE OF THIS ACT, IN ORDER TO FURTHER COMMERCIAL DEVELOPMENT, SOMETIMES IN VIOLATION OF THE LAW. SEVERAL OF THE ADMINISTRATIVE ACTIONS TAKEN BY THE DEPARTMENT OF THE INTERIOR WERE SUBSEQUENTLY DETERMINED TO BE ILLEGAL BY THE COURTS, INCLUDING INTERIOR'S ATTEMPT TO TRANSFER RESPONSIBILITY FOR THE CONGRESSIONALLY MANDATED STUDY OF THE NATURAL RESOURCES OF THE ARCTIC COASTAL PLAIN FROM THE FISH AND WILDLIFE SERVICE TO THE UNITED STATES GEOLOGICAL SURVEY IN 1981 AND THE MORE RECENT ATTEMPT TO ADMINISTRATIVELY EXCHANGE ST. MATTHEW ISLAND OUT OF NATIONAL WILDLIFE REFUGE WILDERNESS STATUS IN ORDER TO PROVIDE A STAGING AREA FOR OIL AND GAS DEVELOPMENT IN THE OUTER CONTINENTAL SHELF. THE DEPARTMENT OF INTERIOR HAS SOUGHT TOO LITTLE FUNDING FOR ESSENTIAL CONSERVATION PROGRAMS, APPLIED QUESTIONABLE INTERPRETATIONS OF GOVERNING STATUTES, AND FAILED TO ADEQUATELY ENFORCE THE LAW.

THE SECRETARY OF INTERIOR MUST ENDORSE THE INTENT AND SPIRIT OF THE ALASKA LANDS ACT AND REVISE CURRENT INTERIOR POLICIES FOR ALASKA THROUGH:

(1) COMMITTING TO PURSUR NO FURTHER LAND EXCHANGES AND/OR BOUNDARY ADJUSTMENTS INVOLVING REFUGES OR PARKS WITHOUT EXPRESS CONGRESSIONAL APPROVAL;

(2) SEEKING BUDGETARY INCREASES TO CONSERVATION PROGRAMS MANDATED BY ANILCA AND DECREASES IN FUNDING FOR RESOURCE DEVELOPMENT PROGRAMS. THE INCREASES IN FUNDING SHOULD BE USED FOR STAFFING, PLANNING STUDIES, MANAGEMENT AND ENFORCEMENT ACTIVITIES SO THAT, FOR EXAMPLE, FUNDING BEGINS TO REFLECT THE 350 PERCENT INCREASE IN REFUGE LANDS RESULTING FROM THE PASSAGE OF ANILCA.

(3) NOT PROCEEDING WITH COMMODITY DEVELOPMENT OF KEY FEDERAL LANDS IN ALASKA UNTIL (a) THE COMPLETION OF COMPREHENSIVE CONSERVATION PLANS FOR REFUGES; (b) SUBMISSION OF RECOMMENDATIONS TO CONGRESS FOR OFFICIALLY-DESIGNATED WILD AND SCENIC STUDY RIVERS; AND (c) SUBMISSION TO CONGRESS OF RECOMMENDATIONS FOR ADDITIONS TO THE NATIONAL WILDERNESS PRESERVATION SYSTEM, BASED ON REQUIRED STUDIES.

(4) RETURNING RESPONSIBILITY FOR MANAGEMENT OF WILDLIFE ON NATIONAL WILDLIFE REFUGES AND NATIONAL PARKS TO THE U.S. FISH AND WILDLIFE SERVICE AND THE NATIONAL PARK SERVICE, RESPECTIVELY, BY RESCINDING THE MEMORANDUM OF UNDERSTANDING BETWEEN THOSE FEDERAL AGENCIES AND THE STATE OF ALASKA;

(5) ENSURING THAT THE ARCTIC NATIONAL WILDLIFE REFUGE COASTAL PLAIN ENVIRONMENTAL STUDIES PROVIDE CONGRESS WITH THE INFORMATION NEEDED TO MAKE THE BEST POSSIBLE DECISIONS ON THE FUTURE OF THIS

CRUCIAL AREA, AND ENSURING THAT NO ACTIONS ARE TAKEN BY INTERIOR WHICH WILL UNDERMINE CONGRESS' ABILITY TO EVALUATE THE STUDIES OF OIL AND GAS AND NATURAL RESOURCES OF THAT AREA AND SET A PROPER COURSE OF ACTION; AND

(6) STATING UNEQUIVOCALLY THAT THE DEPARTMENT WILL OPPOSE ANY PROPOSALS TO INITIATE WOLF CONTROL PROGRAMS ON FEDERAL LANDS IN ALASKA.

BEFORE LEAVING THE SUBJECT OF WILDLIFE ON PUBLIC LANDS, I MUST ADDRESS TWO MATTERS RELATED TO BUDGET. FIRST, I MUST REITERATE DEFENDERS' CONCERNS ABOUT DRASTIC CUTS, IF NOT TOTAL ELIMINATION, OF FUNDING FOR ACQUISITON OF LANDS FOR NATIONAL WILDLIFE REFUGES. AS MORE AND MORE KEY WILDLIFE HABITAT ON PRIVATE LAND IS LOST TO DEVELOPMENT, THE NEED FOR A LARGER SYSTEM OF WILDLIFE REFUGES INCREASES. FAILURE TO SPEND MONEY NOW WILL ONLY MEAN BEING ABLE TO SAVE LESS HABITAT AT A GREATER COST TO THE TAXPAYER IN THE FUTURE. CUTS IN FUNDING FOR LAND ACQUISITION PROGRAMS SHOULD BE PROPORTIONAL TO OVERALL CUTS IN THE TOTAL FEDERAL BUDGET.

FINALLY, THERE IS THE TOPIC OF GRAZING POLICY ON PUBLIC LANDS. DURING THE NEXT YEAR CONGRESS WILL BE EXAMINING MANY ASPECTS OF POLICY REGARDING LIVESTOCK GRAZING ON BUREAU OF LAND MANAGEMENT LAND. THE SECRETARY OF INTERIOR SHOULD TAKE A LEAD IN URGING THAT GRAZING FEES BE INCREASED IN ORDER TO REFLECT TRUE MARKET VALUE OF GRAZING PRIVILEDGES. ARTIFICIALLY LOW FEES FOR GRAZING ON PUBLIC LANDS NOT ONLY ARE A DRAIN ON THE FEDERAL BUDGET BUT ALSO RESULT IN EXCESSIVE DEMAND FOR GRAZING OF THESE LANDS, WHICH CAN LEAD TO DIRECT AND INDIRECT HARM TO WILDLIFE. WE ALSO URGE THE SECRETARY TO SEEK ADDITIONAL FUNDING FOR PROJECTS AIMED AT RESTORING PRIME WILDLIFE HABITAT, PARTICULARLY RIPARIAN ZONES.

WILDLIFE MANAGEMENT

DEFENDERS OF WILDLIFE HAS FOR A LONG TIME BEEN CONCERNED ABOUT INTERIOR DEPARTMENT POLICIES GOVERNING MANAGEMENT OF WILDLIFE POPULATIONS. ON MANY OCCASIONS WE HAVE MADE PRESENTATIONS BEFORE INTERIOR OFFICIALS REGARDING WATERFOWL MANAGEMENT, EXPRESSING CONCERN ABOUT POLICIES ON SEASON DATES, SHOOTING HOURS, AND BAG LIMITS ON CERTAIN SPECIES. WE HAVE CONTINUALLY ADDRESSED PRE-DAWN SHOOTING, QUESTIONING THE ABILITY OF THE HUNTER TO IDENTIFY WATERFOWL IN POOR LIGHT CONDITIONS AND STATING OUR FEAR THAT AN ENDANGERED SPECIES, SUCH AS A WHOOPING CRANE, COULD BE KILLED BY ACCIDENT. WE HAVE OBJECTED TO CREATION OF SEASONS AND SETTING OF BAG LIMITS FOR SPECIES SUCH AS COMMON SNIPE, SORA AND VIRGINIA RAIL, CLAPPER AND KING RAILS, GALLINULES, COOTS, MERGANSERS, AND SEA DUCKS BASED ON INADEQUATE DATA ABOUT THEIR POPULATIONS.

A NEW SECRETARY OF INTERIOR SHOULD ORDER A THOROUGH EXAMINATION OF POLICIES DEALING WITH WATERFOWL. DRAMATIC DECREASES IN POPULATIONS OF SEVERAL SPECIES OF WATERFOWL IN RECENT YEARS PROVIDE EVIDENCE FOR THE NEED FOR NEW PROGRAM AND POLICY INITIATIVES.

ANOTHER FACET OF WILDLIFE MANAGEMENT POLICY OF PARTICULAR INTEREST TO OUR ORGANIZATION IS PREDATOR CONTROL. MILLIONS AND MILLIONS OF TAXPAYERS' DOLLARS ARE SPENT ANNUALLY ON KILLING OF COYOTES AND OTHER PREDATORS, IN AN ATTEMPT TO REDUCE LOSSES TO THE LIVESTOCK INDUSTRY IN THE WEST. THESE LETHAL PREDATOR CONTROL PROGRAMS REPRESENT A TAXPAYER SUBSIDY TO LIVESTOCK INTERESTS AND ARE OF QUESTIONABLE EFFICACY IN TERMS OF

CONTROLLING DAMAGE TO LIVESTOCK FROM PREDATION.

A NEWLY-APPOINTED SECRETARY OF INTERIOR SHOULD UNDERTAKE A THOROUGH REVIEW OF THE DEPARTMENT'S POLICIES ON PREDATOR CONTROL, WITH AN EYE TOWARD REDUCING EXPENDITURES FOR ONGOING LETHAL PREDATOR CONTROL PROGRAMS. THERE IS A PRESSING NEED FOR ADDITIONAL RESEARCH IN NON-LETHAL PREDATOR CONTROL TECHNIQUES. THE USE OF LIVESTOCK GUARDING DOGS TO PROTECT LIVESTOCK FROM PREDATION IS INCREASING AROUND THE COUNTRY. THE MAJORITY OF GUARD DOG USERS ARE SATISFIED WITH THE DOGS AND DEPEND UPON THEM ON A FULL-TIME BASIS;ADDITIONAL RESEARCH WILL ISOLATE THE PARTICULAR BLOODLINES THAT PRODUCE A SUCCESSFUL GUARD DOG AND FURTHER DETERMINE THE BEST TRAINING METHODS.

RESEARCH HAS SHOWN THAT TASTE AVERSION CAN BE AN EFFECTIVE METHOD OF CONTROLLING COYOTE PREDATION; IT IS THE MAINSTAY OF THE PREDATOR CONTROL PROGRAM IN SASKATCHEWAN, CANADA. ADDITIONAL RESEARCH MUST BE CONDUCTED TO ANSWER QUESTIONS ABOUT THIS METHOD.

FINALLY, THERE IS A NEED FOR THE ESTABLISHMENT OF DEMONSTRATION PROJECTS AND EDUCATIONAL PROGRAMS ON NON-LETHAL PREDATOR CONTROLS.

IN CONCLUSION, MR. CHAIRMAN, DEFENDERS OF WILDLIFE URGES THIS COMMITTEE TO SEEK SPECIFIC ANSWERS FROM MR. HODEL REGARDING THESE AND OTHER IMPORTANT NATURAL RESOURCES POLICIES. IF ANSWERS ARE NOT FORTHCOMING OR THEY DO NOT INDICATE THAT MR. HODEL PLANS TO CONTINUE AND EXPAND THE DEPARTURE FROM THE POLICIES OF JAMES WATT INITIATED BY SECRETARY CLARK, THEN WE WOULD BE FORCED TO OPPOSE MR. HODEL'S NOMINATION AND URGE THE SENATE TO NOT CONFIRM HIM. WE SINCERELY HOPE THAT MR. HODEL WILL PROVIDE ADEQUATE ANSWERS TO

KEY POLICY QUESTIONS SO HIS CONFIRMATION CAN MOVE FOREWARD WITHOUT DELAY OR DEBATE, AND WE LOOK FOREWARD TO WORKING WITH MR. HODEL IF HE IS CONFIRMED.

MR. CHAIRMAN, THIS CONCLUDES THE TESTIMONY OF DEFENDERS OF WILDLIFE WITH REGARD TO THE NOMINATION OF DONALD HODEL AS SECRETARY OF INTERIOR. AGAIN, I THANK YOU AND THE OTHER MEMBERS OF THE COMMITTEE FOR THE OPPORTUNITY TO PRESENT OUR VIEWS ON THIS IMPORTANT MATTER.

Senator **Wallop**. Thank you, Mr. Painter. Let me say that I appreciate the tone of all of your testimonies. Let me say particularly that I appreciate the willingness of the Federation to work with us on these range land issues.

You know that some issues have come your way and some have come another, and that flexibility, I think, will result in a pretty creative piece of work which we can all live with for some time.

I want to thank you for the effort you have done there.

Mr. Butler, I would have to say that I am not exactly sure what a measured pace on the outer continental shelf is. As I look at what we have done, I think it has been remarkably measured, at least in terms of what some of us would have been as another opportunity.

We have operated with no plan, and whatever plan we ever initiated has been complicated by a variety of moratoria, withdrawals that Congress has made with no hearings and no realization of the effect on other outer continental shelf leasing requirements, and I just would point out that about the time we began to look at the Baltimore Canyon was about the time that they began the examination of whether or not we ought to drill in the North Sea, and in that time Sweden, Norway, and England have become independent in oil, and we have yet to really issue any significant lease in that area.

So, just from one perspective, I think the pace has been remarkably measured.

Mr. **Butler**. Well, if I could respond to that, I think that in a sense I agree that we have had a go/stop policy, at least under this administration. You will recall that Mr. Watt said that he would like to have seen all of the OCS areas leased by the time that the administration had finished its eight years.

He began at that gangbuster's pace. The Congress disagreed and various States disagreed, particularly Massachusetts, Alaska, and California at that time, and I think that Congress responded in such a way that moratoria were put on which halted leasing in some or all of those areas for different periods of time.

We now have a situation where apparently the Atlantic coast of the United States is no longer of much interest, at least off of the lower 48, of much interest to the oil companies, and we again are going to begin a leasing policy once these moratoria can be dealt with.

I agree with you that this go/stop policy is not a wise one, and I would suggest to you that a measured policy, what I meant by a measured policy was something between Mr. Watt's pace and a moratorium, because I would agree with you that neither of those are advantageous to the American public or the oil companies.

Senator **Wallop**. I appreciate that response. Can I ask you one other thing, to go back to the Audubon Society? That is, not to get into a knee-jerk response, as was at least hinted at in your comments on the Endangered Species Act and its strengthening, when you mentioned resist the move of Western States to exempt Western rivers and watersheds from the act.

I know of no such move, and I suspect that one of the things you had in mind is rumors that you have heard about my plans. What I am seeking to have happen, and I think this is not by any stretch of the imagination impossible, is the means by which we recognize the needs of endangered species but do not use that, the satisfaction of those needs, as a preemptory means of the taking of property rights.

I think specifically of the *Riverside* case in Colorado, which has quite rightly paid attention to the needs of whooping crane habitat in Nebraska but has paid no attention to the needs and the rights of the people who own the water rights.

There are other ways, more creative, shared ways of accommodating the needs of both without a total taking of the rights of one. That is all I am trying to get at in the work that I hope to do on this. I am more than willing to find the means to do it; but when you have a situation where it is simply easier to say no to any new development because of the terms of the act, and you take an upstream State like Wyoming, and I hold it the crown jewel of the Nation for more reasons than one, but one of the reasons is that everything flows out of us into somewhere else, and we are in fact a late bloomer economically.

Taken to an illogical extreme, it would mean that anything developed in Wyoming would be responsible for the effects in the watershed clear to the end, even though it goes through, as in the case of *Riverside,* 180 miles of water projects previously authorized of streamside developments and raparian wells and other things in Nebraska and in Colorado, if you make one project accountable for the entire effects, that numerous projects have brought us to the point of having to consider them.

So all I am trying to do is find the means of acquiring what is necessary to protect the species identified in the terms in which they have been without making any single project bear the entire consequences other than those consequences for which they are directly responsible.

I think we can do that if we don't all get up and say, look, here is Wallop trying to exempt Western watersheds from the act. There is no such thing. But I do believe there is a property right issue that ought not to be solved by a simple piece of legislation which says take it and let other people fend for themselves.

Let me explain to you what is exactly at issue in *Riverside.* The corps simply says they could exercise their right to store water at that site if they would replace the water. Well, that is no water right. That is a storage right, but it is no water right. They did, in fact, under Colorado law, have that right. I think there is another way to have accommodated that, one of which is to begin to accommodate the idea that if there is a Federal Reserve right, that that right be used to satisfy Federal needs, those needs which are identified as benefiting all the population of the country.

So please don't just back off and say there is no other way than the way we have done it, because I believe there is, and it can satisfy both needs.

Mr. BUTLER. Without going into great detail, let me say that I certainly did not mean to imply, and in fact quite the reverse in this statement, that the Audubon Society is unwilling to talk out and negotiate and compromise issues. We have given several examples here where we have gone the very last mile to do so.

On this particular issue, I think that reasonable people can get together to solve the problem, just as the enormous and vast majority of instances where there have been clashes between commercial interests and the needs of endangered species, that these have been worked out. So that we will look forward to working with you to try to determine some equitable way to handle this or any other problem which is drawn to our attention.

I would also point out as a lawyer that the act does have in it a safety valve; and in those very few instances, Teleco Dam having been one instance, where it was impossible to work out a compromise, there is a formula for appointing people within and without the administration to make an ultimate determination, and then even after that Congress can determine ultimately what it wants.

You wrote the act, and you can change the act or exempt projects, but I would say well before we got to that point—

Senator WALLOP. Those are two different issues. I mean, that's clearly not at issue in Riverside or similar kinds of cases. What I am trying to get away from is the concept that it is just easier to do it as the corps has done it in the Riverside case than it is to acquire the water through a variety of means to satisfy that particular need of an endangered species habitat. I think it is harder to do it the other way, but it is a great deal more responsible and a good deal more long lasting.

Mr. BUTLER. Let us certainly at an early instance early in this session get together, put our heads together and work out some mutually acceptable compromise, because we hope that the reauthorization of the Endangered Species Act will be largely noncontroversial, and I am sure we can all have more profitable ways of spending our time in this session than arguing over the issues that you and I have been discussing.

Senator WALLOP. Let me ask you all if you would continue to join with me in a means by which we can provide protection for valued lands, valued resources in instances where it is possible without fee acquisition.

I am such a strong believer in that, I persuaded my own father to give a significant conservation easement to the Nature Conservancy which has protected the whole front of the Big Horn Mountains where our ranch is.

That cost the Government nothing but whatever it cost in the reduced valuation of his estate for a one-time deal. It doesn't cost anything to operate it, nothing to protect it, and yet it is every bit as permanent as if it had been designated a national park. That is a pretty cheap way of going to acquire some things that we need, not all, and especially in times of budget constraints. I just think that we need your help in seeking creative ways to get the same thing for less money on this permanent basis. I think you can help us in that.

Mr. BUTLER. We not only agree with that. We promote it. And we would hope to get your assistance in working with the Internal Revenue Service, which is proposing some changes in the tax law which would have made it much more difficult and less attractive for your father to have made that conservation easement.

You probably are aware of some of these issues, and we would hope for your support, because we agree with what you say 100 percent.

Senator **Wallop**. I have tried in some ways but have never quite been able to achieve it, to hold one hearing under the auspices of both the Energy Subcommittee on Public Lands and Reserve Water and my Finance Committee on Agricultural and Energy Taxation, because that is where they come together. I mean, we could save this committee some things, some budget constraints, if we could put that picture in the same frame.

I appreciate your testimony, all of you. Thank you.

Senator McClure has returned. I will call the next panel, and while they're coming up we will exchange places.

Panel No. 3 is Suzan Shown Harjo, executive director of the National Congress of American Indians, accompanied by Newton Lamar, president, National Tribal Chairmen's Association.

The **Chairman** [presiding]. Please begin.

STATEMENT OF NEWTON LAMAR, PRESIDENT, NATIONAL TRIBAL CHAIRMEN'S ASSOCIATION

Mr. **Lamar**. Chairman McClure, it is certainly our pleasure and we are pleased to have this opportunity to appear before you.

My name is Newton Lamar, president of the National Tribal Chairmen's Association. I also serve as vice president of the National Congress of American Indians. With me I have Suzan Harjo, who is the executive director of the National Congress of American Indians.

We are here to say that I guess for the first time since I myself have been in Indian politics, that we are here to endorse rather than oppose someone. Both organizations have by resolution endorsed the Secretarial nominee. And we would like to state a few facts as to why this came about.

Being from Oklahoma, and I was going to direct my remarks to Senator Wallop, I am sure he is probably aware of all the problems we have had in oil and gas in Oklahoma. It seems as if though in the past 3 years our entire effort has been in the area of trying to straighten out MMS, BLM, and naturally the BIA.

I have talked to Mr. Hodel. He is well aware of the situation, and he seems to be in tune with the things that have to be done to straighten out the situation there. And we feel very comfortable with him.

With that, I would like for Ms. Harjo to expound on some of the areas or some of the problems that have been reported in from different areas of the country. She has been more or less called to some of the areas around the country and received their input, and wanted to expound a little bit on how some of the other areas feel.

STATEMENT OF SUZAN SHOWN HARJO, EXECUTIVE DIRECTOR, NATIONAL CONGRESS OF AMERICAN INDIANS

Ms. **Harjo**. Mr. Chairman, the experience of the Columbia River tribes in the Northwest has been very positive, as we have touched on in our written testimony, and we do have a prepared statement, and I wonder if that could be included in the record.

The CHAIRMAN. That will be placed in the record.

Ms. HARJO. Thank you. That details the positive government-to-government dealings on key fishery management issues along the Columbia River that took place when Mr. Hodel was head of the Bonneville Power Administration. We have a number of concerns that we did detail here. I, too, was going to mention something for the benefit of Mr. Wallop, and will do so in absentia.

The President's Commission on Indian Reservation Economies, which was mentioned this morning by several Senators and by Mr. Hodel, has one recommendation which we have endorsed since 1974, which is the tribal authority to issue industrial development bonds which would greatly enhance the economies of certain of our reservations, namely, the larger, not more populace, but the larger in geography reservations, and we do hope that Congress pays heed to this particular recommendation.

We are not fans of most of the other recommendations of this reports, mainly because they have little to do with economics. We have discussed this matter with Secretary Hodel, and I was most pleased to hear his response this morning.

Some of the other issues that we have touched on in our prepared statement are listed just to indicate the range of matters in our field, which is a very complex field, and cuts across all party lines. It cuts across all ideologies, because it touches every aspect of Indian life.

We have not mentioned in our testimony, for example, education. The largest part of the Bureau of Indian Affairs, which is the largest agency within the Department of the Interior, is Indian education, which we feel very strongly should remain in the Department of the Interior and not be proposed for a transfer as it was in the previous administration.

The education part of the Bureau of Indian Affairs, for example, has been without a permanent administrator for several years now. We have had a series of acting people as we have an Acting Assistant Secretary for Indian Affairs, and I was glad to hear that there would not be an unnecessary delay in filling that particular position. I hope this will be true in education as well.

Our other areas range from religious freedom first amendment issues regarding the actual exercise of religious prerogatives as well as access to sacred sites and control of sacred sites. Oil and gas issues, which Mr. Lamar has alluded to, the Alaska Native Claims Settlement Act, gaming on Indian reservations, are issues that you have great familiarity with from your position as Chair of this and as Chair of the Interior Appropriations Committee, so we needn't reiterate them for your benefit.

Thank you very much for giving us this time.

[The joint statement of Mr. Lamar and Ms. Harjo follows:]

STATEMENT ON BEHALF OF THE NATIONAL CONGRESS OF AMERICAN INDIANS AND THE NATIONAL TRIBAL CHAIRMEN'S ASSOCIATION ON THE NOMINATION OF INTERIOR SECRETARY-DESIGNATE DONALD P. HODEL BEFORE THE COMMITTEE ON ENERGY AND NATURAL RESOURCES, UNITED STATES SENATE, FEBRUARY 1, 1985, WASHINGTON, D.C.

Mr. Chairman and Members of the Committee, we are pleased to have this opportunity to comment on the nomination of Interior Secretary-designate Donald P. Hodel. This statement is presented by Mr. Newton Lamar, who is President of the National Tribal Chairmen's Association (NTCA) and the Wichita Tribe and a Vice President of the National Congress of American Indians (NCAI), and by Ms. Suzan Shown Harjo, who is Cheyenne and Creek and the NCAI Executive Director. NCAI and NTCA are headquartered in Washington, D.C., and are controlled by their nationwide memberships of American Indian and Alaska Native governments.

We are in the somewhat unusual position of endorsing the nomination of a Secretary of the Interior. In the past, the nominees for this position have had little or no understanding of federal-Indian relations, history or law; Indian and Native governments, sovereignty or treaties; economic problems faced by Indian and Native peoples; or of the myriad cultural, traditional, social and legal systems throughout Indian country. Most past nominees for this position have had limited, if any, contact with Indian and Native people. Secretary Hodel is an exception in this regard and that is the source of our support, as decided by votes of the NCAI Executive Committee and of the NTCA Board of Directors.

As head of the Bonneville Power Administration, Secretary Hodel had extensive dealings with the Indian governments with jurisdiction over certain portions of the Columia River - the Yakima Nation, the Nez Perce Tribe, the Confederated Tribes of the Warm Springs Reservation and the Confederated Tribes and Bands of the Umatilla Reservation - and their dealings were based on the government-to-government relationship which is the basis of federal-Indian law and policy. The Columbia River Tribes have seen the legacy of agreements worked out with Secretary Hodel regarding fishery management along the Columbia River. He was willing to sit at the negotiating table with the Columbia River Tribes and work out a Memorandum of Agreement which committed the Bonneville Power Administration to support tribal activities designed to protect the fish population and the Indian fishery interests. This agreement was an essential precedent leading to the Indian governments later being accorded their rightful major role in fishery management under the Northwest Power Planning and Conservation Act.

We cannot understate the importance for a Secretary of the Interior to have an understanding of the federal-Indian government-to-government process and a willingness to confer with Indian and Native leadership on both problems and solutions defined by them as priorities. The Secretary of the Interior has responsibilities affecting the legal status of Indian and Native property, the federal-Indian budget, the public perception of our issues and needs and the very existence of our people. We have many areas of concern that will require the ongoing attention of the Secretary of the Interior and his consultation with the affected Indian and Native leadership. Examples of these areas of concern are the following.

The Secretary of the Interior is required by the 1934 Indian Reorganization Act to advise all Indian and Native governments of budget levels pertaining to federal programs and services, prior to their submission to the budget office and prior to their submission to Congress. This law has not been carried out in any of the 50 years since its enactment. It is our hope that Secretary Hodel would meet this legal responsibility by entering into legitimate consultation with Indian and Native leadership in the budgetary area, beginning with the FY1987 process.

As Secretary of the Interior, Mr. Hodel will have the authority, under the Nuclear Waste Policy Act, to designate tribes as "affected," with regard to high level nuclear waste repositories.

Financial assistance to assess the impact of a nuclear waste disposal site is available only to those tribes with "affected" status. At present, only three tribes have been designated as "affected" - Nez Perce, Umatilla and Yakima. More tribes are deserving of receiving this status and the financial resources to conduct a proper study. Transportation of high level nuclear waste through Indian lands should be a significant factor to be considered by the Secretary of the Interior when assessing a tribal application to be approved for an "affected" status designation.

In connection with the Nuclear Waste Policy Act and other laws affecting both Indian private and federal public lands, we will call upon the Secretary of the Interior to be vigilent in the use of his broad discretionary authority to protect the free exercise rights of traditional Indian and Native people in connection with sacred sites and areas, many of which are located on federal lands. This is an issue not understood by the general public, and federal law and policy in this area is often ignored by the federal land-managing bureaucracy. The Secretary of the Interior can set an example for other federal agencies by taking into trust status certain lands of particular significance, by making lands available through exchanges and by cultural resource management and reburial policies, all of which require consultation with the affected governmental and religious leadership.

We are vitally concerned with federal management of all our invaluable natural resources. In the area of oil and gas management, for example, recent years have witnessed a great flurry of Congressional investigation and legislation. Despite this concerted attention, very little improvement has occurred, primarily because the Department of the Interior has simply failed to implement and enforce the law. Indian leaders trust that Secretary Hodel will have the expertise and interest to give these matters the priority attention and policy enforcement they deserve. We also are hopeful that Secretary Hodel will exercise strong leadership within the Department of the Interior to protect Indian water, land and jurisdictional rights and to encourage the Bureau of Indian Affairs to fund needed water studies and inventories and land surveys and easement accountings.

The Secretary of the Interior will have the immediate responsibility of making recommendations to Congress regarding the experience of the Alaska Native Claims Settlement Act. Even though a report is in the final stages of preparation, the Department of the Interior has failed to consult with the Alaska Native leadership, who are the most directly affected by the Act and who are the subject of the recommendations. The Native leadership will request that the new Secretary of the Interior redirect and open up this process through immediate consultation.

One of our primary concerns is the alarmingly high rate of unemployment in Indian country and the need for tribal revenue development. The Senate Indian Affairs Committee has estimated Indian unemployment at 50% to 60% on most reservations and in most communities, with the unemployment rate among many of the larger tribes being upwards of 75%. In an effort to raise desperately needed revenue, many Indian governments have established bingo and other gaming operations. Because of the success of these operations, there are legislative efforts to impose restrictive federal regulations on Indian gaming, mainly as a ruse to stop competition with non-Indian, state-controlled gaming operations. We will need the cooperation of the Secretary of the Interior in supporting tribal rights to regulate their own gaming operations, as well as support to change current law to allow tribally-regulated gaming to have the same right to advertise as state-regulated gaming operations enjoy.

A final example of the many Indian and Native issues the Secretary of the Interior will need to address immediately concerns the recent recommendations of the Presidential Commission on Indian Reservation Economies. We trust that Secretary Hodel will consult with Indian and Native leadership prior to considering any decision on whether or not to implement any of the recommendations. There are some good proposals in the Report. For example, the recommendation that Indian governments, like state and local governments, should be allowed to issue industrial development bonds is sound and would advance the economic condition of several tribes. Indian leadership has called upon Congress since 1974 to remove this area of discrimination in the tax code. However, Indian and Native leadership has not been consulted in many areas covered by the Report, and most of the recommendations have little to do with the economic situation or acceptable solutions.

We thank you for the opportunity to express our support for Secretary Hodel and to call to the general attention these few examples of the pressing issues in our field that the Secretary of the Interior will need to address in the immediate future.

The CHAIRMAN. Thank you very much. I have just one question, a rather general question. Some people have said that as we go through the process of allowing the tribes to administer more of their own affairs, that the need for a Bureau of Indian Affairs is dramatically reduced, and some have suggested that an assistant secretary could administer the necessary interface without having the bureaucracy of the BIA.

Are we at a point where you would advocate the elimination of the bureau?

Mr. LAMAR. Absolutely not. There are too many problems yet in the field. We definitely need the agencies. We would say we have for years advocated either the scale-down or the elimination of area offices that in our scheme of things is a bottleneck. Everything has to be channeled through the area office that seems to bottle everything up.

We could do without the area offices, but I think for the time being until such time as the tribes are allowed to sit down and work with the Government on a government-to-government basis and draw up a plan of how services should be provided and a plan that is acceptable to both sides, sure, we can work that out, but include the Indians. That is all we are saying.

In the past 100 years, we have had Indian experts falling out of the trees, but yet no one has ever asked the Indians what they need, and I think it is high time that that question was asked of the Indian people.

This past weekend we have written in Nashville a response to the President's Commission. There are a lot of good recommendations in that report, and there are some that we cannot live with, and we have discussed that issue with Secretary-Designate Hodel.

And he feels like a tribe should be consulted and should have been consulted prior to the submission of that report, and it seems like we spend all of our time trying to put out brush fires that other people start, and that seems to consume about 90 percent of our time.

If people would check with us first, we could tell them what is really going on, and it would probably use our time a lot more productively.

The CHAIRMAN. Thank you both very much. We appreciate your testimony, and your statement of course will appear in the record.

Our next panel is Mr. Webb, Washington representative, Friends of the Earth, and Mr. Clusen, from the Wilderness Society.

Gentlemen, your two statements have been received by the committee and are made a part of the record in full. I think you are aware of the request to limit your oral presentation to not more than five minutes. Thank you.

STATEMENT OF L. GEOFFREY WEBB, WASHINGTON REPRESENTATIVE, FRIENDS OF THE EARTH

Mr. WEBB. Mr. Chairman, thank you for this opportunity to appear before you on the subject of the confirmation of Donald Hodel to be Secretary of Interior.

We appear before you today in opposition to the nominee. We do so having met Mr. Hodel, and having reviewed the record of the last 4 years along with the Secretary's own background and work.

The job he has been nominated for is Interior Secretary, which in our view is the most important conservation job in the world. He is following James Watt, who we believe to be the worst Interior Secretary in the history of this Nation, and Secretary Clark, who filled in for him until the election was over.

We have gone through 4 years of the most antienvironmental administration in memory. Budgets were cut, budgets that would protect—budgets for environmental protection were cut while they were increased for the land sales budget and the land leasing budgets.

Employees were fired and they were replaced with people who had worked for industry and who wanted industrial access to those public lands. Regulations were streamlined, we were told, so that the people who wanted industrial access could be made happy.

In our meeting with Secretary Hodel, he said that it would be fair to characterize him as the chief operating officer of the Department of Interior during the time that he served in 1981 and 1982 as James Watt's righthand man, that he was in charge of implementing just these policies that we are talking about.

One of the things we considered before coming up here today was exactly what was it that Secretary Hodel did as Under Secretary, because many people have questions about that. Secretary Watt certainly attracted all the attention, and Secretary Hodel was apparently doing the job there.

And so I asked him, I told him we were considering asking for his MBO records during that time so that we could have a chance to review the record as to what his performance and job was, and he said that although it was a much wanted MBO system, that he didn't have to fill out the MBO forms under Secretary Watt.

But he said that it would be fair to simply characterize him as having been in charge of everything over there, and taking responsibilities for all of those things, and certainly those include the offshore oil and gas program, the coal leasing program, on-shore oil and gas, geothermal development.

Now Secretary Hodel himself is directly linked, as we know, to two particularly controversial actions which took place at the Department during his tenure there. Those are the Powder River coal sale and the South Duck Nest Creek coal exchange.

Because the record of the Bonneville Power Administration was discussed in greater length at Secretary Hodel's previous confirmation hearing, we thought it important to take a look at the Interior Department aspects of his record, but we will do that a little bit later.

He has served as Secretary of Energy, as deputy administrator and then administrator of Bonneville Power, as counsel to Georgia Pacific Corp., and as a private energy consultant to many of the same people who are going to be coming before him seeking special treatment from the Department of Interior. His former clients include people like Western Energy and Western Resources, subsidiaries of Montana Power Co., Bridger Coal Co., Decker Coal Co., Spring Coal Co. subsidiaries of Pacific Power and Light, Idaho

Power, and so on and so forth. So Mr. Hodel's background is in this area.

Apart from who he has been employed by, the characteristics of his past record, I think, are important to look at. I think they are these, that first of all he has a proclivity toward dire warnings in order to justify major energy expansion or environmental curtailment.

This last year he said that we have a creeping paralysis of the electric industry, that it would be a tragedy for Long Island if the Shoreham nuclear plant weren't built, and that we couldn't have the OCS consistency bill passed because it would have potentially disastrous energy consequences for the Nation.

This is somebody who has taken a pretty extreme view on things, on the side of erring for energy development and against environmental protection and conservation in the past. As BPA administrator, Mr. Hodel pressured municipal utilities into borrowing heavily in order to finance large investments in nuclear power.

Despite his assertion that his projections were "decidedly too conservative," Mr. Hodel was wrong. The Seattle Post Intelligencer summarized by saying, "Mr. Hodel, your critics were right and you were wrong."

Our concern, Mr. Chairman, is not so much whether or not the Secretary has made mistakes in the past, but whether or not he has learned from them and whether or not he is likely to incorporate that learning and knowledge into his new job.

And honestly speaking, we cannot say that there is clear indication that he has learned any real lessons from his Bonneville Power Administration experience or from his Energy Department experience or his deputyship for Secretary Watt.

For instance, just a year—when he was no longer deputy of Secretary Watt and he didn't have to toe the Interior Department line, and a month after this Congress had shut down the department's coal leasing program because of the mismanagement of that program and of its overleasing, Mr. Hodel's energy report hailed the Federal leasing accomplishments of the last 2 years as principal elements of the national energy strategy.

The CHAIRMAN. Mr. Webb, your 5 minutes have expired.

If I may now turn to the other witness, please. Thank you

[The prepared statement of Mr. Webb follows:]

STATEMENT OF L. GEOFFREY WEBB

MR. CHAIRMAN, WE APPEAR BEFORE YOU TODAY TO OPPOSE THE NOMINATION OF DONALD PAUL HODEL TO BECOME SECRETARY OF THE INTERIOR. WE DO SO HAVING MET WITH THE NOMINEE AND HAVING REVIEWED THE RECORD OF THE LAST FOUR YEARS AS WELL AS MR. HODEL'S OWN BACKGROUND. IT IS OUR FEELING THAT THE JOB HE HAS BEEN NOMINATED FOR, SECRETARY OF THE INTERIOR, IS THE MOST IMPORTANT CONSERVATION JOB IN THE WORLD.

MR. HODEL IS BEING NOMINATED TO FOLLOW JAMES WATT, THE WORST INTERIOR SECRETARY IN HISTORY, AND WILLIAM CLARK, WHO FILLED IN UNTIL THE 1984 ELECTION. HE WAS JAMES WATT'S RIGHT HAND MAN FOR 21 MONTHS, A PERIOD IN WHICH BALANCED MANAGEMENT OF PUBLIC RESOURCES WAS ABANDONED IN FAVOR OF GIVING AWAY THE STORE AND WEAKENING ENFORCEMENT OF ENVIRONMENTAL LAWS.

CAREER EMPLOYEES WERE FIRED, EXILED AND INTIMIDATED. REGULATIONS WERE REWRITTEN TO REMOVE ENVIRONMENTAL PROTECTIONS AND RESTRICT PUBLIC ACCESS TO DECISIONMAKING AND INFORMATION CONCERNING DEPARTMENT ACTIVITIES. FORMER EMPLOYEES OF OIL, MINING, AND TIMBER COMPANIES WERE PUT IN CHARGE OF MANAGING THE PUBLIC'S LAND, AIR, AND WATER.

THE BUDGET PROCESS WAS USED AS AN "EXCUSE", IN SECRETARY WATT'S WORDS, TO REASSIGN MONEY FROM MULTIPLE-USE LAND PLANNING TO MORE AND BIGGER LEASE SALES FOR ENERGY RESERVES ON THE PUBLIC LANDS.

IN OUR MEETING WITH SECRETARY HODEL, HE SAID IT WOULD BE FAIR TO CHARACTERIZE HIM AS THE CHIEF OPERATING OFFICER AT THE

DEPARTMENT OF INTERIOR IN 1981 AND 1982, IN CHARGE OF IMPLEMENTING THESE POLICIES DURING THE TIME HE SERVED THERE.

SECRETARY HODEL IS HIMSELF DIRECTLY LINKED TO TWO PARTICULARLY CONTROVERSIAL ACTIONS WHICH TOOK PLACE AT THE DEPARTMENT DURING HIS TENURE THERE, THOSE OF THE POWDER RIVER COAL SALE AND THE SOUTH DUCK NEST CREEK COAL EXCHANGE, ACTIONS WHICH WE WILL EXPLORE IN GREATER DEPTH LATER.

HE HAS OF COURSE, SERVED AS SECRETARY OF ENERGY, AS DEPUTY ADMINISTRATOR AND THEN ADMINISTRATOR OF THE BONNEVILLE POWER ADMINISTRATION, AS COUNSEL TO THE GEORGIA-PACIFIC CORPORATION, AND AS A PRIVATE ENERGY CONSULTANT TO SEVERAL WELL-KNOWN WESTERN UTILITIES AND COAL COMPANIES.

AS A PUBLIC OFFICIAL, MR. HODEL'S CLEAR TENDENCY HAS BEEN TO OVERESTIMATE ENERGY DEMAND AND PRESCRIBE RADICAL MEASURES TO AVOID, IN HIS WORDS, THE RISK THAT "HOMES WILL BE COLD AND DARK OR FACTORIES WILL CLOSE OR BOTH".

THIS PROCLIVITY TOWARD DIRE WARNINGS IN ORDER TO JUSTIFY MAJOR ENERGY EXPANSION OR ENVIRONMENTAL CURTAILMENT HAS BEEN A HALLMARK OF MR. HODEL'S THROUGHOUT HIS CAREER. LAST YEAR ALONE HE ISSUED WARNINGS ABOUT THE "CREEPING PARALYSIS OF THE ELECTRIC INDUSTRY" AND OF AN URGENT NEED TO EXPAND CAPACITY; STATED THAT GOVERNOR CUOMO'S OPPOSITION TO THE SHOREHAM NUCLEAR PLANT IN NEW YORK COULD LEAD TO "A TRAGEDY FOR LONG ISLAND"; AND TESTIFIED AGAINST LEGISLATION WHICH WOULD REQUIRE FEDERAL ACTIONS TO BE CONSISTENT WITH STATE COASTAL PLANS, WARNING OF "POTENTIALLY

DISASTROUS ENERGY CONSEQUENCES FOR THE NATION".

AS BPA ADMINISTRATOR, MR. HODEL PRESSURED MUNICIPAL UTILITIES INTO BORROWING HEAVILY IN ORDER TO FINANCE LARGE NEW INVESTMENTS IN NUCLEAR POWER. ENVIRONMENTALISTS AND OTHERS WARNED THAT PROJECTIONS TERMED "DECIDEDLY TOO CONSERVATIVE" BY MR. HODEL WERE GROSS OVERESTIMATIONS AND SHOWED HOW CONSERVATION AND EFFICIENCY IMPROVEMENTS COULD PRODUCE THE ENERGY EQUIVALENT AT SIX TIMES LESS COST.

IN AN EDITORIAL COMMENT DIRECTED TOWARD HODEL, THE SEATTLE POST-INTELLIGENCER HAS SAID, "YOUR CRITICS WERE RIGHT AND YOU WERE WRONG". IT STATED THAT "AS ADMINISTRATOR OF THE BONNEVILLE POWER ADMINISTRATION FROM 1972 TO 1978, HE WAS INSTRUMENTAL IN SADDLING THE ELECTRIC RATEPAYERS OF THE REGION WITH BILLIONS OF DOLLARS WORTH OF DEBT".

AS UNDERSECRETARY OF INTERIOR, HODEL CHAIRED THE MINERALS MANAGEMENT BOARD. IN THIS CAPACITY HE OVERSAW MASSIVE REGULATORY CHANGES AND MAJOR NEW LEASING PROGRAMS FOR PUBLICLY-OWNED OIL AND GAS, COAL, AND GEOTHERMAL PROPERTIES.

ONE EXAMPLE OF HIS ROLE AND THE DEPARTMENT'S APPROACH CAME WHEN HODEL AUTHORIZED RAISING A UTAH COAL OFFERING FROM 103 MILLION TONS (AS PLANNED IN THE FY '82 BUDGET) TO 550 MILLION TONS, DESPITE THE RECOMMENDATION OF THE REGIONAL COAL TEAM. THE DEPARTMENT THEN USED THE FACT THAT ALL TRACTS WERE NOT BID ON AS EVIDENCE THAT THE PRICES WERE TOO HIGH AND OF THE NEED TO LOWER MINIMUM BIDS IN FUTURE SALES.

AS ENERGY SECRETARY, ONE YEAR AFTER LEAVING THE DEPARTMENT OF INTERIOR AND ONE MONTH AFTER CONGRESS HAD SUSPENDED THE FEDERAL COAL LEASING PROGRAM FOR MISMANAGEMENT AND OVERLEASING, HODEL ISSUED AN ENERGY PLAN HAILING THE "REGULATORY AND FEDERAL LEASING ACCOMPLISHMENTS OF THE PAST TWO YEARS" AS "PRINCIPAL ELEMENTS OF THE NATIONAL ENERGY STRATEGY", AND SAID THAT THE ADMINISTRATION "HAS REDESIGNED AND REVITALIZED THE COAL LEASING PROGRAM."

THE POINT IN REVIEWING THESE ITEMS, MR. CHAIRMAN, IS THAT THE SECRETARY OF INTERIOR HAS A VERY DIFFICULT JOB IF HE IS TO DO IT CONSCIENTIOUSLY. HE MUST BALANCE COMPETING INTERESTS AND MANAGE RESOURCES FOR MULTIPLE USE, OF WHICH ENERGY IS JUST ONE COMPONENT. THAT BALANCE IS LACKING IN MR. HODEL'S PUBLIC RECORD TO DATE AND IT IS WHY WE APPEAR BEFORE YOU TODAY IN OPPOSITION TO HIS NOMINATION.

MR. HODEL COMES RECOMMENDED AS A GOOD MANAGER, AND THERE CAN BE NO DOUBT THAT HE IS SOMEONE WHO UNDERSTANDS THE VARIOUS ISSUES HE WILL BE DEALING WITH. GOOD MANAGERS CAN BE JUDGED ON THEIR ABILITY TO "GET THINGS DONE," AND CERTAINLY MR. HODEL IS ONE OF THEM. BUT THEY CAN ALSO BE JUDGED ON THE WAY DECISIONS ARE MADE, BY RESPONSIBILITY AND ACCOUNTABILITY AND THE TEST OF TIME FOR THEIR DECISIONS. IT IS IN THIS AREA THAT MR. HODEL HAS SHOWN HIS WEAKNESSES, AND WHERE HE WILL FACE HIS GREATEST CHALLENGE, ASSUMING HE IS CONFIRMED.

AS I HAVE MENTIONED, MR. CHAIRMAN, THIS WEEK SECRETARY HODEL MET WITH MR. EDWIN MATTHEWS OF THE BOARD OF DIRECTORS OF FRIENDS OF THE EARTH, AND MYSELF. WE HAD A GOOD MEETING. IT WAS CORDIAL, INFORMATIVE, AND SUBSTANTIVE. WE EXPRESSED OUR FEELING THAT THE PROBLEMS CREATED DURING THE WATT ADMINISTRATION REMAIN UNSOLVED AND HE EXPRESSED A STRONG WISH TO WORK WITH US TO ADDRESS THOSE ISSUES, SHOULD HE BE CONFIRMED.

THE SECRETARY SEEMED RECEPTIVE TO HEARING OUR CONCERNS AS WE DISCUSSED ISSUES FROM COAL LEASING TO PARK PROTECTION, FROM ENDANGERED SPECIES TO THE POSSIBLE SITING OF A NUCLEAR WASTE REPOSITORY AT CANYONLANDS NATIONAL PARK. (WE THANKED HIM FOR HIS ROLE IN KEEPING THE DAVIS CANYON SITE OFF THE TOP OF THE LIST.)

WE PROPOSED TO THE SECRETARY THAT WE CONDUCT PERIODIC "ENVIRONMENTAL AUDITS" WITH HIM, TO HAVE MEMBERS OF THE ENVIRONMENTAL COMMUNITY MEET WITH HIM TO REVIEW THE PROGRESS AND PERFORMANCE OF THE HODEL ADMINISTRATION ON ENVIRONMENTAL MATTERS, AS A WAY OF GIVING HIM REGULAR FEEDBACK AND AVOID USING THE PRESS AS OUR ONLY MEANS OF COMMUNICATION.

THE SECRETARY DID NOT HESITATE IN EMBRACING THE IDEA, AND SAID HE WOULD BE VERY PLEASED TO HAVE SUCH MEETINGS. HE SAID HE WAS INTERESTED IN FINDING OUT HOW TO ACHIEVE CONSENSUS ON ISSUES AND INDICATED THAT HE WOULD ALSO LIKE TO HAVE ISSUE-BY-ISSUE DISCUSSIONS WHERE VARIOUS INTERESTED CONSTITUENCIES, INCLUDING OURSELVES AND INDUSTRY REPRESENTATIVES, COULD HAVE INPUT.

WE DISCUSSED THE IMPORTANT, UPCOMING NOMINATIONS OF THE ASSISTANT SECRETARY FOR FISH, WILDLIFE AND PARKS, AND ASSISTANT SECRETARY FOR LAND AND MINERALS, AND AGREED TO DISCUSS THEM FURTHER IF HE IS INDEED GIVEN THE OPPORTUNITY TO FILL THOSE

POSITIONS.

BUT BEFORE THE SENATE PASSES JUDGEMENT ON THIS CONFIRMATION, WE BELIEVE THERE ARE SOME OUTSTANDING QUESTIONS TO ADDRESS CONCERNING THE POWDER RIVER COAL SALE AND THE DUCK NEST EXCHANGE, BOTH FOR THE PURPOSE OF REMINDING THE COMMITTEE OF THESE QUESTIONS, AS WELL AS FOR THE IMPORTANCE OF ESTABLISHING FOR THE RECORD WHAT WE KNOW OF MR. HODEL'S OWN INVOLVEMENT. WE RAISE THESE ISSUES IN PART BECAUSE OF MR. HODEL'S OWN STATEMENTS TO THIS COMMITTEE THAT HE COULD NOT REMEMBER WELL HIS INVOLVEMENT IN THE POWDER RIVER SALE.

AS THE SENATORS ON THIS COMMITTEE KNOW, THE 1982 AUCTION OF COAL IN THE POWDER RIVER BASIN OF WYOMING AND MONTANA, AS WELL AS THE EVENTS SURROUNDING IT, TRIGGERED SEVERAL INVESTIGATIONS AND REPORTS. SECRETARY CLARK PLEDGED TO REVOKE THE POWDER RIVER LEASES IF THEY WERE FOUND NOT TO HAVE OBTAINED FAIR MARKET VALUE, AND IT IS NOW WIDELY ACCEPTED THAT THEY DID NOT. NEVERTHELESS, THOSE LEASES HAVE NOT YET BEEN CANCELLED AND IT IS UP TO THE NEXT INTERIOR SECRETARY TO DO SO.

IN TESTIMONY BEFORE CONGRESS, FORMER MINERALS MANAGEMENT SERVICE DIRECTOR DAVID RUSSELL IDENTIFIED UNDERSECRETARY DON HODEL, AND NOT SECRETARY JAMES WATT, AS THE SENIOR RANKING DOI OFFICIAL IN CHARGE OF THE POWDER RIVER SALE. ACCORDING TO RUSSELL, HODEL AUTHORIZED LAST-MINUTE CHANGES IN THE WAY TRACTS WOULD BE EVALUATED FOR A FAIR MARKET VALUE TEST. THESE CHANGES HAD THE EFFECT OF LOWERING THE PRICE THE GOVERNMENT WOULD ACCEPT.

THIS PARTICULAR ACTION IS AT THE CENTER OF CRITICISM BY THE GENERAL ACCOUNTING OFFICE AND THE LINOWES COMMISSION, BOTH FOR THE IMPROPER WAY IN WHICH PROCEDURES WERE CHANGED THE NIGHT BEFORE THE SALE, AND FOR THE FACT THAT IN THE WORDS OF THE GAO, THEY "ALLOWED VIRTUALLY ANY BID TO BE ACCEPTED REGARDLESS OF WHETHER IT APPROXIMATED FAIR MARKET VALUE."

MR. RUSSELL, INCIDENTALLY, WAS THE FOCUS OF YET ANOTHER UNRESOLVED CONTROVERSY, THAT OF A LEAK OF PROPRIETARY BIDDING INFORMATION IN ADVANCE OF THE SALE. THIS UNAUTHORIZED DISCLOSURE MAY HAVE PROMPTED CERTAIN INDIVIDUALS TO LOBBY DEPARTMENT OFFICIALS TO LOWER THE MINIMUM ACCEPTABLE, OR ENTRY-LEVEL BIDS.

IN JANUARY 1984, DURING THE WANING DAYS OF THE LINOWES COMMISSION, INFORMATION CAME TO LIGHT WHICH REVEALED THAT MR. RUSSELL AND PERRY PENDLEY, ANOTHER DEPARTMENT OFFICIAL, WERE TREATED TO A $500 DINNER AT LA PAVILLON RESTAURANT IN WASHINGTON, D.C. BY TWO COAL COMPANY REPRESENTATIVES WHO WERE LATER FOUND TO HAVE BEEN IN POSSESSION OF THE PROPRIETARY DATA.

THE SECOND ITEM WITH RESPECT TO SECRETARY HODEL'S DIRECT KNOWN INVOLVEMENT WITH THE COAL PROGRAM CONCERNS THE SOUTH DUCK NEST CREEK EXCHANGE. ORIGINALLY, THE DUCK NEST CREEK TRACT WAS THE THIRD-LARGEST OF 13 TRACTS SCHEDULED TO BE OFFERED IN THE APRIL 1982 POWDER RIVER SALE.

TWO LARGE MINING COMPANIES, ARCO COAL CO., AND AMAX COAL CO. ANNOUNCED PLANS TO BID ON THE TRACT, AND SEVERAL INTERIOR DEPARTMENT OFFICIALS VIEWED IT AS POTENTIALLY ONE OF THE MOST

LUCRATIVE TRACTS IN THE SALE.

AMAX, THE BIGGEST PRODUCER IN THE BASIN, APPROACHED THE GOVERNMENT WITH A REQUEST THAT THE TRACT BE DIVIDED IN TWO, AND THAT THEY BE GIVEN THE NORTHERN HALF IN ADVANCE OF THE SALE IN RETURN FOR A PREVIOUSLY CANCELLED BLOCK OF HOLDINGS ON INDIAN LAND.

INTERIOR DEPARTMENT MINING ENGINEERS, THE GOVERNOR OF WYOMING AND ARCO COAL ALL OBJECTED TO THIS PROPOSAL, ON THE GROUNDS THAT IT WOULD CONVEY A POTENTIALLY VERY COMPETITIVE TRACT NON-COMPETITIVELY, AND THAT AMAX WOULD THEN BE ABLE TO PICK UP THE SOUTH PORTION WITHOUT FEAR OF COMPETITION.

ON NOVEMBER 30, 1981, BUREAU OF LAND MANAGEMENT DIRECTOR BOB BURFORD REJECTED AMAX'S REQUEST. AMAX THEN BEGAN CONTACTING OTHER DEPARTMENT OFFICIALS IN HOPES OF OVERTURNING BURFORD'S DECISION. ON DECEMBER 7, THE INTERIOR SOLICITOR AND TWO ASSISTANT SECRETARIES WROTE TO SECRETARY WATT URGING THAT AMAX BE GIVEN THE LAND IT SOUGHT.

ON DECEMBER 17, REPRESENTATIVES OF AMAX, THE BLM AND THE NORTHERN CHEYENNE TRIBE MET WITH UNDERSECRETARY DON HODEL IN HIS OFFICE TO PRESENT THE OPPOSING ARGUMENTS. THE SAME DAY, WILLIAM COLEMAN, FORMER SECRETARY OF TRANSPORTATION IN THE FORD ADMINISTRATION, WROTE TO HODEL ON BEHALF OF AMAX, SAYING THAT ONLY THEY COULD MINE THE TRACT ECONOMICALLY.

ON DECEMBER 24, BURFORD REVERSED HIS DECISION AND SPLIT DUCK NEST CREEK INTO TWO TRACTS, AWARDING AMAX THE NORTHERN HALF. ON

APRIL 28, AMAX HAD NO COMPETITION IN BIDDING FOR THE OTHER HALF. THE GAO VALUED THE DEVELOPMENT RIGHTS FOR THE SOUTHERN PORTION TO BE $15.8 MILLION. DEPARTMENT ECONOMISTS ORIGINALLY ESTIMATED THE VALUE TO BE $7.2 MILLION; AMAX SECURED THE COAL WITH A BONUS BID OF JUST $3.6 MILLION.

WE HAVE BEEN LED TO BELIEVE THAT THE CONDUCT OF OFFICIALS IN THE DUCK NEST CREEK EXCHANGE AND THE POWDER RIVER SALE ARE STILL UNDER INVESTIGATION, BUT HAVE NO CLEAR, CURRENT INFORMATION. IN A REPORT ISSUED JUNE 11, 1984, SECRETARY CLARK'S OFFICE STATED THAT "A SUBSEQUENT REPORT WILL DEAL WITH ALLEGATIONS OF QUESTIONABLE INDIVIDUAL CONDUCT." TO OUR KNOWLEDGE, THAT REPORT HAS NEVER HAS BEEN ISSUED AND THE MATTER IS STILL OPEN. WE HAVE HEARD THAT THE DEPARTMENT'S OFFICE OF INSPECTOR GENERAL STILL HAS AN OPEN INVESTIGATION INTO THE DUCK NEST CREEK MATTER, AND HAVE ALSO HEARD THAT SOME MATTERS HAVE BEEN REFERRED TO THE JUSTICE DEPARTMENT.

THESE ARE VERY SERIOUS, UNRESOLVED PROBLEMS WHICH WE BELIEVE THE COMMITTEE SHOULD GET CLEAR ANSWERS ABOUT BEFORE PROCEEDING WITH MR. HODEL'S NOMINATION.

THANK YOU.

STATEMENT OF CHARLES M. CLUSEN, VICE PRESIDENT, CONSERVATION, THE WILDERNESS SOCIETY

Mr. CLUSEN. Thank you, Mr. Chairman. I am Charles M. Clusen. I am the vice president for Conservation of the Wilderness Society.

We are proud this year to be celebrating our 50th anniversary of protecting—or trying to effectuate the protection of Federal lands. The Wilderness Society, as you know, has consistently opposed the destructive public land policies of the present administration. These antienvironmental policies were first instituted by Secretary Watt, whom Mr. Hodel served as an Under Secretary.

As far as we are aware, and we did not hear this morning from Mr. Hodel to any difference, he has not taken exception with the Watt policies, and we believe this is the time for Mr. Hodel to voice his intentions, not only to you but to the public at large.

As things now stand, we must oppose the nomination of Donald Hodel to be the Secretary of the Interior. The Secretary of the Interior is the principal conservation officer of the United States, and that requires a person who has unwavering commitment and passion to the protection and proper management of our Nation's natural heritage and resources.

There are many distinguished Republicans who have served in the Republican administrations of the past, but most recently in the Nixon and Ford administrations, who were very fine adminstrators who had a commitment to the environment. Unfortunately, this nomination of Mr. Hodel does not seem to represent a change from the Watt policies which still are in place at Interior.

Mr. Clark's approach has been to keep public attention away from the department without significantly altering the Watt policies. We therefore can only support the nomination of a candidate who is committed to rectifying the disastrous policies of Mr. Watt.

Many important decisions will be made by the new Secretary. Time limitations prevent me from describing them all. I would like to touch on a few that are of greatest concern to the Wilderness Society.

They include the appointment of a new Assistant Secretary for Fish and Wildlife in Parks, a new Assistant Secretary for Land and Minerals, and a new Director of the National Park Service. All three of these positions are vitally important for adequately protecting the public lands as well as initiating new programs to reinvigorate appropriate public land management.

I would like to just name a few of the kinds of things that we are principally concerned with. My testimony, prepared statement, does outline them in greater detail.

In regard to the Bureau of Land Management, we are vitally concerned with the wilderness review, which the Congress mandated be done by the Bureau in the Federal Land Policy and Management Act. The Secretary should institute the inclusion back into the Wilderness Review of the 1.5 million acres that Mr. Watt dropped, the so-called Watt Drops.

Second, the new Secretary should adopt and implement a policy of ensuring that these study lands not be degraded, which is now occurring. Further, the new Secretary should reject proposals to weaken regulations governing mining activities on these very lands.

In the parks area, the new Secretary should protect the National Parks from the threats instead of opposing every positive program as put forward by others.

Another matter that has been discussed here frequently today is the Land and Water Conservation Fund. I don't believe it is sufficient to simply say that we will try to acquire the most threatened lands. We have a commitment to acquire all of the lands that Congress has authorized. We need to get on with the job of doing that.

I might add, Mr. Chairman, I know you have been very helpful in getting moneys for the Land and Water Conservation Fund. It seems to us that that is one program that has already taken more than its fair share of cuts. We are now operating at a level far below 50 percent of what it once was funded at.

In the area of the wildlife refuge system, we believe the new Secretary should immediately approve all fish and wildlife acquisition proposals authorized by Congress as with the parks. There is one in particular that is of great concern to us right now which has to do with the acquisition of lands in the State of Arizona to protect the endangered species, the masked bobwhite. We understand the option to buy the land was sitting in the regional director's office, and he was orderred not to exercise that option, and it has now expired.

A similar problem to the threats that we have in parks are threats directed——

The CHAIRMAN. Which tract was that you made reference to?

Mr. CLUSEN. This is a tract of land in the State of Arizona which was identified by the Fish and Wildlife Service for acquisition to protect the bobwhite, which is an endangered species. The agency had acquired an option to buy it. In fact, Congress has appropriated $9 million for that purchase, and we learned here a few weeks ago that that option has now expired, and that money is not being spent, which in effect is an impoundment.

We also believe that there are other problems with the refuge system that are similar to the threats to the parks, threats to the refuges. We made a similar survey as did the Park Service. One in particular is the Kestkerson refuge, which in effect is becoming a toxic waste dump because of the inflow of salinium which is leaching through the soil, and also pesticides and other chemicals from adjacent farmlands.

[The prepared statement of Mr. Clusen follows:]

THE WILDERNESS SOCIETY

TESTIMONY OF CHARLES M. CLUSEN, VICE PRESIDENT, CONSERVATION OF THE WILDERNESS SOCIETY ON THE NOMINATION OF DONALD HODEL TO BE SECRETARY OF THE INTERIOR BEFORE THE SENATE ENERGY AND NATURAL RESOURCES COMMITTEE, FRIDAY, FEBRUARY 1, 1985

I am Charles M. Clusen, Conservation Vice President of The Wilderness Society, which has 130,000 members throughout the United States, and is this year celebrating 50 years of federal lands conservation.

The Wilderness Society has consistently opposed the policies of this Administration's Interior Department. These anti-environmental policies were first instituted by Secretary Watt -- whom Mr. Hodel served as Under Secretary of the Interior. As far as we are aware, Mr. Hodel has expressed no differences with the Watt policies. This is the time for Mr. Hodel to voice his intentions -- to you and to the public. As things now stand, we must oppose the nomination of Donald Hodel. The Secretary of the Interior is the principal conservation officer of the United States and that requires a person of unwavering commitment to the protection and proper management of our nation's national heritage and resources. There are many distinguished Republicans who have a strong commitment to the environment that could be named. The Nixon and Ford Administrations had a number of very fine environmental Administrators. Unfortunately, this nomination does not represent a change away from the Watt policies which still are in place at Interior. Mr. Clark's approach has been to keep public attention away from the Department without significantly altering Watt's policies,

1400 EYE STREET, NW, WASHINGTON, D.C. 20005
(202) 842-3400

causing many decisions to be deferred which now must be addressed. We therefore can only support the nomination of a candidate who is committed to changing the disasterous policies of the last four years.

Many important decisions will be made by the new Secretary of the Interior. Time limitations prevent me from describing them all. I would like to touch on those areas that are of the greatest concern to The Wilderness Society. They include a new Assistant Secretary for Fish, Wildlife, and Parks, new Assistant Secretary for Land and Minerals, and a new Director of the National Park Service. All three of these positions are vitally important for adequately protecting the public lands as well as initiating new programs to reinvigorate appropriate public land management.

BUREAU OF LAND MANAGEMENT

- The new Secretary should restore fully protected Wilderness Study Area status to the 1.5 million acres of BLM land dropped by Watt;
- The new Secretary should request sufficient funding and enforcement to assure adequate protection of both wilderness and potential wilderness areas;
- The new Secretary should reject proposals to weaken regulations governing mining activities in wilderness.

Many of our disagreements with current policies in the Bureau of Land Management (BLM) focus on the wilderness review that the agency is required to conduct under stipulations of the Federal Land Policy and Management Act. We believe that the Department's review is inadequate and, in some cases, legally insufficient. The BLM dropped 1.5 million acres of Wilderness Study Areas, an Interior Department decision that we have taken to court. Although a decision has not yet been reached, we were successful in obtaining a preliminary injunction restraining the Department of the Interior from allowing destruction of the wilderness values of the lands in question. Throughout the Watt and Clark terms, wilderness values have been allowed to be degraded or destroyed in Wilderness Study Areas by new mining, grazing, off-road vehicle races, water developments, and road building. Many of these cases have been documented in the oversight hearings held by the Public Lands Subcommittee of the House Interior Committee.

PARKS

- The new Secretary should protect the National Parks from threats.

Our national park system faces serious threats. Under the Watt and Clark leadership, the Interior Department forcefully opposed and worked against the enactment of a National Parks Protection Act, legislation designed to address this threats issue, even though such legislation passed the House of Representatives each of the last two Congresses by margins of four to one. Moreover, the Department has refused to provide any leadership on this issue. Repeated requests for updating of the 1980 National Park Service "State of the Parks" report have been adamantly refused.

The Watt/Hodel/Clark leadership of the Interior Department has also opposed the addition of new units to the national park system. The opposition has been based in part on the erroneous assumption that the American people don't need or want any more national parks. The number of units of the national park system has not changed during the tenure of these leaders, principally because of their position. There are quite a number of potential new units that need to be protected; they should be added to our national park system while they are still available. The continued explosion of use and popularity of our parks requires that the system continue to be expanded.

LAND AND WATER CONSERVATION FUND

- The new Secretary should request adequate funding of the Land and Water Conservation Fund.

Secretary Watt and Secretary Clark have not simply opposed expansion of the national park system. Indeed, they have gone so far as to try to stop the acquisition of lands already authorized by Congress for inclusion in existing national park areas. For three of the past four years Secretary Watt and Secretary Clark have requested a paltry amount for the Land and Water Conservation Fund (LWCF) to pay for those lands that the federal government is already committed to purchase. We are expecting the President's proposed FY '86 budget to contain a minimal request for the Fund -- if any at all -- perhaps to cover only administrative costs and some court awards.

We have no indication that Secretary Hodel has any commitment to adequate funding of the Land and Water Conservation Fund. We believe it is the intent of the Administration to simply do away with this vital program by stopping its funding. In fact, the Department of the Interior has even failed to spend much of the money Congress has appropriated for LWCF the past several years! We fear the Hodel nomination is a signal that these damaging policies will continue. Mr. Watt's highly publicized "moratorium" on purchasing needed land for Interior Department land systems also included the Refuge System. Reacting against Watt's meager requests, Congress has consistently appropriated funds in excess of the Administration's proposed budgets for this purpose. While Mr. Clark asked for refuge acquisition funds in the Fiscal Year 1985 budget, a significant portion of the request was tied to provisions in a bill that was not enacted. What was left in the request -- $30 million -- was far short of the needs. Congress appropriated $63 million to enable acquisition of the highest priority areas for endangered species, inholdings, and areas threatened by development.

REFUGES

- The new Secretary should immediately approve all FWS acquisition proposals authorized by the Congress in FY 1985 appropriations actions, including the purchase of lands in Arizona necessary for recovery of the endangered masked bobwhite;

- The new Secretary should halt any efforts to transfer predator control to the Department of Agriculture, which does not have the expertise or mandate to adequately protect wildlife values;

- The new Secretary should act with speed and certainty to protect the Kesterson Refuge, which is becoming a toxic waste dump, as well as direct the development of a comprehensive program to address toxic wastes on the National Wildlife Refuge and National Park Systems.

Under Secretaries Watt and Clark, management of the National Wildlife Refuge System has been undermined. James Watt devised new policies or used budget decisions to increase commodity development on the refuges and to limit habitat and wildlife protection. These actions revised and even reversed certain conservation policies established by Congress and earlier Administrations and created a highly charged, political atmosphere. Secretary Clark has adhered to this policy; he has proposed no innovative conservation initiatives for the wildlife refuges during his tenure.

Under the direction of Secretary Watt, an attempt was made to open almost four million acres of acquired refuge land to new oil and gas leasing, reversing President Eisenhower's policy of prohibiting fuel mineral development that had enjoyed 25 years of bipartisan support. Law suits resulted and the Congress passed a moratorium on such leasing.

Mr. Watt pushed for an increase in revenue earned by the government from such activities as haying, timber cutting, grazing, and concessions on the refuges. In spite of the fact that a 1982 Fish and Wildlife Service Report on threats and conflicts, as well as other sources, clearly documented conflicts arising from such activities, Secretary Clark has yet to scale back increased commodity development on the refuges, apart (for the time being) from new oil and gas leasing.

In concentrating on the production of endangered species recovery plans and defending this action as being good stewardship, Watt greatly slowed the listing process for endangered species and undercut the funding support necessary to fully implement recovery plans that were produced. Wildlife habitat acquisition, endangered species law enforcement, and state grant recovery programs -- the latter a partnership between the federal and state governments for which Watt consistently requested no funding -- suffered.

ALASKA

- The new Secretary should not appeal the St. Matthew Island land decision;
- The new Secretary should change the implementation of the Alaska National Interest Lands Conservation Act (ANILCA) to better protect those lands the Congress intended to preserve.

The Wilderness Society is very concerned that the implementation of ANILCA is not adequately protecting those lands in accordance with that Act. A good example of this is the budget for the Bureau of Land Management (BLM) in Alaska for fiscal years 1983-85 where the account for renewable resources decreased 52% in real dollars, planning and data management decreased 25% in real dollars and energy and minerals management increased 10%. (Appendix A). Another example is the decision to give authority to the U.S. Geological Survey -- rather than the Fish and Wildlife Service -- to evaluate and approve exploration proposals on the Arctic National Wildlife Refuge despite specific legislative history giving responsibility to the Fish and Wildlife Service (Appendix B). This question had to be settled by a U.S. District Court, which found that the move to the Geological Survey was indeed, "in excess of the statutory authority under the Alaska National Interest Lands Conservation Act of 1980, and the National Wildlife Refuge System Administration Act."

As another example, the interim rules promulgated in the past four years for managing the 76 million acres of national wildlife refuges and 51 million acres of national parks in Alaska are more likely to be harmful to park and refuge resources than their counterparts in effect throughout the rest of the United States. The new rules are a significant departure from conservation standards promulgated before the enactment of ANILCA and enforced for decades on the parks and refuges in Alaska. We believe they are contrary to Congressional intent and ANILCA.

We also believe that the land exchanges allowed by the Interior Department are not consistent with the letter or the spirit of the law. Section 1302(h) of ANILCA provides that "in acquiring lands for the purposes of this Act" the Secretary may exchange lands. The purpose of such authority is to provide the Secretary with flexibility in resolving conflicts that might arise from numerous state, Native, and private inholdings on conservation system units and we supported enactment of this section. However, the current Administration has attempted to use exchanges to transfer the ownership of lands within conservation system units to corporate interests for development purposes. The clear intent of both the exchange provision and Section 103(b) -- which allows for minor boundary adjustments -- was to improve the quality and manageability of Alaska's conservation system units. These were intended as tools to prevent or resolve conflicts created by inholdings and unsurveyed boundaries. Instead, they have been used by both Secretary Watt and Secretary Clark to further development at the cost of Wildlife Refuge and National Park values and resources. In late November 1984, the District Court of Alaska decided against one such Administration attempt in our case challenging the St. Matthew land exchange. The court concluded that the "Secretary seriously overestimated the benefits to wildlife conservation and management objectives, erroneously characterized the effects of a proposed oil exploration support base as being temporary, and erroneously assumed that land stipulations would provide sufficient protection to refuge wildlife and wilderness habitats."

COAL

- The new Secretary should establish a coal program that leases coal at a fair price, does not lease excessive reserves, and does not lease in environmentally sensitive areas.

As Under Secretary of the Department of the Interior, Donald Hodel was involved in the Duck Nest Creek coal sale, identified in the Linowes Commission Report as one of three "Controversial Federal Coal Transactions". He also approved the post-sale guidelines for the Powder River coal sale, procedures that a May 1983 GAO report said, "did not provide a sound basis for determing fair market value." Given the controversy that has surrounded the coal program, we hope that the Committee asks Mr. Hodel to outline --

- his involvement in the two aforementioned coal sales;
- any recommendations he made that were not accepted by the Department;
- his plans for running the coal program if he were to become Secretary of the Interior;

- any policy decisions that he would recuse himself from or limitations on his involvement in or oversight of ongoing investigations because of his previous involvement in the coal program.

We believe the nation deserves a new Secretary who will be committed not merely to live up to the letter of the law after being forced by a court to do so -- but who is publicly committed to drastically changing the current bias in the Interior Department. Without assurances of a positive approach to all the problems outlined above, we cannot support the nomination of Donald Hodel to be Secretary of the Interior.

APPENDIX A

SELECTED ACCOUNTS FROM THE BUREAU OF LAND MANAGEMENT BUDGET IN ALASKA

Fiscal Years 1983 - 1985

BUDGET ACCOUNT	FISCAL YEAR 1983	1984	1985[1]	PERCENT CHANGE 1983 to 1985
	(Thousands of dollars)			(Percent)
Renewable Resources:				
Actual dollars	3,850	2,946	2,019	-
"Real" dollars[2]	4,031	2,946	1,921	-52
Planning/Data Management:				
Actual dollars	2,402	2,044	1,991	-
"Real" dollars[2]	2,515	2,044	1,894	-25
Energy/Minerals Management:				
Actual dollars	4,946	5,474	5,980	-
"Real" dollars[2]	5,179	5,474	5,690	+10

1/ Reagan Administration budget request, FY 1985.

2/ Actual dollars deflated by the GNP implicit price deflator, 1984 = 100.

Source: U.S. Department of the Interior Budget Justification, Bureau of Land Management, FY 1985.

APPENDIX B

-- FOR THE RECORD: In a compromise action, Congress stipulated in ANILCA that the 1.2 million acres of the Arctic National Wildlife Refuge's coastal plain should be opened to surface and seismic exploration to determine the oil and gas potential in the area. ANILCA does not explicitly state that the U.S. Fish and Wildlife Service, the managing agency for refuges, should be placed in charge of monitoring the activities. However, this is an otherwise legislatively directed function of the Service. Going beyond his Secretarial discretion, Watt ordered the USGS to take over mandated FWS responsibilities of evaluating and approving exploration proposals, of monitoring industry compliance, and of assessing whether exploration activities would adversely affect fish and wildlife, their habitat, or the surrounding environment. The only responsibility Watt left to FWS was to prepare a baseline study of the impacts of exploration, but on a much tighter schedule than allowed by Congress.

Watt's directive would have placed primary responsibility for specialized wildlife studies with an agency ill-prepared to conduct this type of research. The directive was clearly in violation of the refuge laws and attempted to limit possible recommendations that would modify or preclude increased commodity development on this refuge. Legislative history shows that Congress intended the FWS to retain full responsibility for protecting fish, wildlife, and habitat on the Alaska National Wildlife Refuges. An exchange between Senator Gaylord Nelson and Senator Henry Jackson on this topic occurred during the framing of the compromise on the Arctic coastal plain. 3/

> MR. NELSON: [Is i]t your intent that the Fish and Wildlife Service have the lead within the Department of the Interior in designing the criteria and guidelines to protect the caribou, other wildlife and their habitat [?]. Of course, other agencies would also be involved and consulted, but it seems to me appropriate that the FWS play the key role in this program. Does the Senator agree?
>
> MR. JACKSON: Yes, I believe it is appropriate for the FWS to have the lead responsibility for developing the wildlife protection stipulations in coordination with the appropriate offices of the Interior Department.

3/ Congressional Record, 96 Cong., 2nd Sess., August 18, 1980, S11140.

The CHAIRMAN. Mr. Clusen, your time has also expired. We do have your statements, and I would welcome your requests to us at any time to follow through on specifics. That is the reason I asked the question, for you to repeat that. I want to make sure that I remember which tract you are looking at, because we can check on some individual tracts.

I think it is fair to say on land acquisitions that our real problem is, where do you first apply the money. The Secretary-Designate this morning indicated that you should look at the most threatened lands first. I don't think he indicated that we wouldn't look at others if we had available money, but we have a backlog of acquisitions. It has been a problem for us for a number of years.

I have asked the Secretary to provide for us a rather detailed list of what the backlog situation is, because it has been a little while since we have asked that question, and we need to get that updated.

But as I recall, although the statement was made this morning that it was somewhere between $2.5 and $3 billion, that many of those are based upon old appraisals, and I suspect that while the farmers may be plagued with a declining value of land, that many of these lands are not declining in value but may be escalating, and we may as a matter of fact find that that backlog in dollar terms has increased rather than diminished.

I don't know where we are going to come out on the budget on that question this year, but it is certainly under budgetary stringency. We are not going to be able to in 1 year eliminate the backlog. So we will still have a question of priority. Which ones should we fund first?

And is there any better test than saying first we meet those questions in which there are court awards where we have a contractual or a judicial order requirement to make the payment? And second, to look at the most threatened lands?

Mr. CLUSEN. First of all, I don't believe the U.S. Government has any choice regarding the court awards. Constitutionally, they have to be paid.

The CHAIRMAN. They have to be paid, and we have seen times when as a matter of fact they didn't get paid for some time.

Mr. CLUSEN. Right. And second, obviously most threatened is a good criterion. I'm not disputing that. What I am saying is that we need to do more than that. If we are simply addressing the lands which are most threatened today, then we are just creating more most threatened lands for tomorrow. We need to get on with the job that we made a commitment to do, and we should be making some measurable steps toward that each year.

The CHAIRMAN. Thank you both very much for your testimony. I am sorry to have to impose a time limit, but in fairness to other witnesses, when we have a rule we will try to follow it for everyone.

Thank you.

Mr. CLUSEN. Thank you.

The CHAIRMAN. Our next panel, panel No. 5, Mr. Berryman, Carol Porter, Mr. Crandall, our friend Jim Santini, and Jim Shepard. Thank you very much. I assume we will follow the order in which you are listed.

Mr. Berryman.

STATEMENT OF JACK H. BERRYMAN, EXECUTIVE VICE PRESIDENT, INTERNATIONAL ASSOCIATION OF FISH AND WILDLIFE AGENCIES

Mr. **Berryman**. Mr. Chairman, I am the executive vice president of the International Association of Fish and Wildlife Agencies. I think you may know that the International Association consists of the State, provincial, and Federal fish and wildlife managing agencies of the United States, Canada, and Mexico. All 50 States are members, as are five Federal agencies, and that includes the Fish and Wildlife Service and the Bureau of Land Management.

Obviously, our State agency members have a direct interest in the Department of the Interior and its leadership because of the shared responsibilities of the States and the Federal Government in managing fish and wildlife resources and their habitats.

Because of this shared responsibility, it is essential—not just desirable, but essential—that good cooperative relationships exist between the State fish and wildlife agencies, the U.S. Fish and Wildlife Service, the BLM, the respective Assistant Secretaries, and obviously the Secretary of the Interior.

This is one of the reasons why we are most appreciative of this opportunity to testify at this confirmation hearing.

We worked with Mr. Hodel when he was Under Secretary of the Interior and on a more limited basis when he was Secretary of the Department of Energy. We know him to be a very capable and able administrator. We know him to be very fair-minded, conscientious, and careful in his judgments. We found him to be reachable and willing to consider our viewpoints.

We think these are among the qualities that are essential in a Secretary of the Interior with the conflicting responsibilities of that department for the development and use of natural resources, and at the same time for their wise conservation, stewardship, and protection. We think Mr. Hodel can bring the kind of balanced judgment that is necessary to the Department.

In making this endorsement, we do so with the hope that Mr. Hodel will continue to support professional leadership in the Fish and Wildlife Service; that he will continue to support a department initiative to resolve the steel/lead shot issue; that he will insist upon balanced use of lands under the administration of the BLM; and finally, that he will immediately insist that the will of Congress and the commitments of the administration be carried out with respect to the Wallop-Breaux legislation to improve funding for fishing and boating despite the current position of the Office of Management and Budget.

These issues are of the highest priority and importance to this association. Each will require the personal attention of the Secretary of the Interior.

Mr. Chairman, I am very pleased to learn—encouraged is a better word—about Mr. Hodel's response to an earlier question about the Wallop-Breaux legislation earlier today. We found his answer really encouraging.

Thank you, Mr. Chairman, for affording us this opportunity.

[The prepared statement of Mr. Berryman follows:]

STATEMENT OF THE INTERNATIONAL ASSOCIATION OF FISH & WILDLIFE AGENCIES BEFORE THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES ON THE CONFIRMATION OF MR. DONALD PAUL HODEL TO BE SECRETARY OF THE INTERIOR, FEBRUARY 1, 1985

Mr. Chairman:

I am Jack H. Berryman, Executive Vice-President of the International Association of Fish and Wildlife Agencies.

As you may know, the International Association of Fish and Wildlife Agencies consists of the state, provincial, and federal fish and wildlife managing agencies of the United States, Canada, and Mexico. All 50 states are members, as are 5 federal agencies including the Fish and Wildlife Service and the Bureau of Land Management.

Obviously, our state agency members have a direct interest in the Department of the Interior and its leadership because of the shared responsibilities of the states and the federal government in managing fish and wildlife resources and their habitats. Because of this shared responsibility, it is essential--not just desirable, but essential--that good cooperative relationships exist between the state fish and wildlife agencies, the US Fish and Wildlife Service, the Bureau of Land Management, the respective Assistant Secretaries, and obviously the Secretary of the Interior. This is one of the reasons why we are most appreciative of this opportunity to testify at this confirmation hearing.

We worked with Mr. Hodel when he was Under Secretary of the Interior and on more limited basis when he was Secretary of the Department of Energy. We know him to be a very capable and able administrator. We know him to be very fair-minded, conscientious, and careful in his judgments. We found him to be reachable and willing to consider our viewpoints.

We think these are among the qualities that are essential in a Secretary of the Interior with the conflicting responsibilities of that Department for the development and use of natural resources, and at the same time, for their wise conservation, stewardship, and protection. We think Mr. Hodel can bring the kind of balanced judgment that is necessary to the Department.

In making this endorsement, we do so with the hope that Mr. Hodel will continue to support professional leadership in the Fish and Wildlife Service; that he will continue to support a Department initiative to resolve the steel/lead shot issue; that he will insist upon balanced use of lands under the administration of the Bureau of Land Management; and finally, that he will immediately insist that the will of Congress and the commitments of the Administration be carried out with respect to the Wallop-Breaux legislation to improve funding for fishing and boating despite the current position of the Office of Management and Budget. These issues are of the highest priority and importance to this Association. Each will require the personal attention of the Secretary of the Interior.

Thank you, Mr. Chairman, for affording us this opportunity.

The CHAIRMAN. Thank you.
Ms. Porter.

STATEMENT OF CAROL A. PORTER, DIRECTOR, NATIONAL AFFAIRS OFFICE, WILDLIFE LEGISLATIVE FUND OF AMERICA

Ms. PORTER. Thank you, Mr. Chairman. I appreciate the opportunity to be here today. My name is Carol Porter. I am director of the National Affairs Office for the Wildlife Legislative Fund of America. My organization is dedicated to the protection of scientific wildlife management practices in which hunting, fishing, and trapping play vital roles.

The Wildlife Legislative Fund of America is an association of sportsmen's and other conservation organizations. Perhaps the largest and best known of these is Ducks Unlimited, whose members raise and spend $40 million each year to acquire and maintain waterfowl habitat in North America.

My organization provides legislative lobbying and legal defense services to sportsmen's conservation groups at the national, State, and local levels. Through these organizations, we represent an aggregate membership of some 750,000 conservation-minded Americans.

On their behalf, we strongly support the Senate's confirmation of Donald Paul Hodel as Secretary of the Interior.

Our Nation's wildlife resources are facing, and will continue to face, serious challenges in the coming months and years. The Department of the Interior, as the Federal agency responsible for the wise use of wildlife, as well as mineral, soil, water, and other resources, must be prepared to meet those challenges.

It needs strong, knowledgeable, and wise leadership if the Nation's wildlife resources are to endure. We are confident that Secretary Hodel possesses these qualities.

His background as an able administrator and as a steward of the Nation's energy resources serves as demonstration of his ability to carry out the task of Secretary of the Interior.

The fact that he has served as Under Secretary of the Department of the Interior clearly points to his knowledge of the Department's mission and the issues it now faces.

A few years ago, during the oil embargo, he was awarded the Department of the Interior's Outstanding Service Award, for his work in energy conservation while administrator of the Bonneville Power Administration.

Quite beyond the high degree of professionalism that Secretary Hodel brings to the Interior Department, his love of the outdoors, as a fisherman and nature enthusiast, is testimony to his commitment to sound conservation principles. A Western native, he has enjoyed life-long exposure to America's pristine wild lands and the tenets of conservation upon which they are dependent.

As America continues to grow, the Department of the Interior's mission has become increasingly important in balancing the principles of resource protection and utilization.

All Americans have a stake in the outdoors. More and more, they are coming to understand that utilization of mineral, timber, soil, water, and wildlife resources need not conflict with the scientific principles of resource management and protection. We are confident that Don Hodel, as Secretary of the Interior, will stand for a wise balance of resource use and protection.

Mr. Chairman, the issues confronting the Department of the Interior are many. They grow increasingly pressing each day. Of prime interest to the Nation's sportsmen and other conservationists is the protection of our Nation's rapidly diminishing wetlands and other forms of wildlife habitat. The wise management of our wildlife and wild places is foremost in the minds of conservationists.

We know that Don Hodel shares these concerns. We therefore urge his confirmation as Secretary of the Interior.

Thank you very much.

[The prepared statement of Ms. Porter follows:]

PREPARED STATEMENT OF CAROL A. PORTER

Mr. Chairman, I am Carol Porter, Director of the National Affairs Office for The Wildlife Legislative Fund of America. My organization is dedicated to the protection of scientific wildlife management practices in which hunting, fishing and trapping play vital roles.

The Wildlife Legislative Fund of America is an association of sportsmen's and other conservation organizations. Perhaps the largest and best known of these is Ducks Unlimited, whose members raise and spend $40 million each year to acquire and maintain waterfowl habitat in North America. My organization provides legislative lobbying and legal defense services to sportsmen's conservation groups at the national, state and local levels. Through these organizations, we represent an aggregate membership of some 750,000 conservation-minded Americans.

On their behalf, we strongly support the Senate's confirmation of Donald Paul Hodel as Secretary of the Interior.

Our nation's wildlife resources are facing, and will continue to face, serious challenges in the coming months and years. The Department of the Interior, as the federal agency responsible for the wise use of wildlife, as well as mineral, soil, water and other resources, must be prepared to meet those challenges. It needs strong, knowledgeable and wise leadership if the nation's wildlife resources are to endure. We are confident that Secretary Hodel possesses these qualities.

His background as an able administrator and as a steward of the nation's energy resources serves as demonstration of his ability to carry out the task of Secretary of the Interior. The fact that he has served as Undersecretary of the Department of the Interior clearly points to his knowledge of the department's mission and the issues it now faces. A few years ago, during the oil embargo, he was awarded the Department of the Interior's Outstanding Service Award, for his work in energy conservation while administrator of the Bonneville Power Administration.

Quite beyond the high degree of professionalism that Secretary Hodel brings to the Interior Department, his love of the outdoors, as a fisherman and nature enthusiast, is testimony to his commitment to sound conservation principles. A Western native, he has enjoyed life-long exposure to America's pristine wild lands and the tenets of conservation upon which they are dependent.

As America continues to grow, The Department of the Interior's mission has become increasingly important in balancing the principles of resource protection and utilization. All Americans have a stake in the outdoors. More and more, they are coming to understand that utilization of mineral, timber, soil, water and wildlife resources need not conflict with the scientific principles of resource management and protection. We are confident that Don Hodel, as Secretary of the Interior, will stand for a wise balance of resource use and protection.

Mr. Chairman, the issues confronting the Department of the Interior are many. They grow increasingly pressing each day. Of prime interest to the nation's sportsmen and other conservationists is the protection of our nation's rapidly diminishing wetlands and other forms of wildlife habitat. The wise management of our wildlife and wild places is foremost in the minds of conservationists.

We know that Don Hodel shares these concerns. We therefore urge his confirmation as Secretary of the Interior.

The CHAIRMAN. Thank you.
Mr. Crandall.

STATEMENT OF DERRICK A. CRANDALL, PRESIDENT, AMERICAN RECREATION COALITION

Mr. CRANDALL. Thank you, Mr. Chairman. I am appearing today as president of the American Recreation Coalition, a federation of some 100 organizations active in the recreation field.

We are especially delighted to be here today, I would add, because this week the President signed an Executive order creating the new Presidential Commission on Outdoor Recreation Resources, and we know the great personal role you played in that, Mr. Chairman, and the senior Senator from Wyoming. We are delighted by the window of opportunity that allows us and others to build a blueprint for meeting tomorrow's outdoor recreation needs.

We are delighted to offer our strong endorsement of Don Hodel to serve this Nation as the 45th Secretary of the Interior, a post of great importance to the recreation community. This endorsement is based upon our considerable contacts with Secretary Hodel during his service as Under Secretary of the Interior and as Secretary of Energy. In these two posts, Secretary Hodel has demonstrated an appreciation for the importance of recreation in the American lifestyle and in our Nation's economy.

He has also demonstrated to us an openness and a receptivity to outside views which we believe to be essential in both good policy decisions and gaining an acceptance of those decisions by affected parties.

During his first tenure at Interior during this Administration, Secretary Hodel met frequently with our members in constituent listening sessions, allowing us to explain our concerns and goals. These sessions also enabled us to appreciate his commitment to the Park Rehabilitation and Improvement Program, the $1 billion investment in our National Park System's roads and infrastructure.

He helped nurture an attitude of partnership between Government land management agencies and private interests ranging from park concessioners to enthusiast member organizations seeking to volunteer their services on Federal lands.

We were delighted by Secretary Hodel's 10 block move to the Department of Energy in 1982, since our Nation's energy policy is of vital concern to virtually all recreational pursuits. Whether in movements to and from activity sites or in the activities themselves, or both, recreation depends on energy.

During the 1970's, our Nation twice fell victim to energy supply disruptions at the consumer level. And on each occasion, recreationists found themselves under attack by officials within the Department of Energy and its predecessor entities.

Excise taxes to discourage purchases of certain recreation products were proposed. Gas rationing plans were developed which specifically excluded allocations to boats, to motorhomes and to other recreational devices.

Boaters were even forced to defend themselves, successfully, against a conservation plan which would have banned all weekend boating. The justification for this latter proposal was for its symbolic value, you may recall, despite the rather small projected savings.

At Energy, Secretary Hodel has vigorously pursued efforts to guard against future energy disruptions, and to ensure that any disruptions which did occur would have the least possible adverse consequences. He made clear to us the commitment of the President to freedom of choice in the end use of our energy supplies, and also to the need for each one of us to be responsible energy users using as little energy as possible.

Secretary Hodel brought this message to the recreation community on many occasions, and in various ways. He made videotapes and prepared written messages for numerous ARC members. He accepted speaking invitations tendered by members such as the Marine Retailers Association of America. And he agreed to appear before our Recreation Round Table, which the Chairman has also appeared at twice, an appearance which only an emergency hospital stay precluded him from making, but I did append his remarks, because I thought they provided insights in terms of his views.

Despite the many pressing demands on Secretary Hodel's time during this transition period, his interest in gaining the counsel of others is clear. We were able to spend considerable time with the Secretary last Friday. We talked about the new National Commission on Outdoor Recreation created by the President on Monday, about the protection and management of our parks and other public lands, about paying for the recreation service system facilities we need, and about enhanced public-private cooperation.

We found much common ground in our conversations, and came away enthused about the opportunties for progress in these and other areas during Don Hodel's tenure as Secretary of the Interior.

Don Hodel is the most qualified candidate to serve our Nation as Secretary of the Interior. His knowledge of the Interior issues and structure is great. He is extremely hard working. He is a good listener and we have found his decisions understandable and based on fact.

We urge rapid and positive action by this committee and by the full Senate on his nomination. Thank you, Mr. Chairman.

[The prepared statement of Mr. Crandall follows:]

STATEMENT BY DERRICK CRANDALL, PRESIDENT, AMERICAN RECREATION COALITION, ON DONALD PAUL HODEL'S NOMINATION FOR SECRETARY OF THE INTERIOR, BEFORE THE UNITED STATES SENATE ENERGY AND NATURAL RESOURCES COMMITTEE, FEBRUARY 1, 1985

Mr. Chairman and members of the Senate Energy and Natural Resources Committee, I am Derrick A. Crandall and I am appearing on behalf of the American Recreation Coalition, a federation of nearly one hundred organizations active in the recreation field. A full listing of our membership is appended to my written statement.

We are delighted to offer our strong endorsement of Don Hodel to serve this nation as its 45th Secretary of the Interior, a post of great importance to the recreation community. This endorsement is based upon our considerable contacts with Secretary Hodel during his service as Under Secretary of the Interior and as Secretary of Energy.

In these two posts, Secretary Hodel has demonstrated an appreciation for the importance of recreation in the American lifestyle and in our nation's economy. He has also demonstrated to us an openness and a receptivity to outside views which we believe to be essential in both making good policy decisions and gaining an acceptance of those decisions by affected parties.

During his first tenure at Interior during this Administration, Secretary Hodel met frequently with our members in "constituent listening sessions," allowing us to explain our concerns and goals. These sessions also enabled us to appreciate his commitment to the Park Rehabilitation and Improvement Program -- the $1 billion investment in our national park system's roads and infrastructures. He helped nurture an attitude of partnership between government land managing agencies and private interests ranging from park concessioners to enthusiast groups seeking to volunteer their services on federal lands.

We were delighted by Secretary Hodel's ten block move to the Department of Energy in 1982, since our nation's energy policy is of vital concern to virtually all recreational pursuits. Whether in movements to and from activity sites or in the activity itself -- or both -- recreation depends on energy. During the 1970's, our nation twice fell victim to energy supply disruptions at the consumer level. And on each occasion, recreationists found themselves under attack by officials within the Department of Energy and its predecessor entities. Excise taxes to discourage purchases of certain recreation products were proposed. Gas rationing plans were developed which specifically excluded allocations to boats, to motorhomes and other recreational devices. Boaters were even forced to defend themselves -- successfully -- against a conservation plan which would have banned weekend boating. The justificaion for the proposal centered on its symbolic value, you may recall, despite the rather small actual projected savings.

At Energy, Secretary Hodel has vigorously pursued efforts to guard against future energy disruptions and to assure that any disruptions which did occur would have the least possible adverse consequences. He made clear to us the commitment of the President to freedom of choice in the end use of our energy supplies -- and also the need for all of us to be responsible energy users, using as little energy as possible.

Secretary Hodel brought this message to the recreation community on many occasions and in various ways. He accepted speaking invitations tendered by our members such as the Marine Retailers Association of America. He made videotapes and prepared written messages for numerous other ARC members. He agreed to appear before our Recreation Roundtable -- an appearance which an emergency hospital stay precluded; the remarks he had prepared in advance are attached.

He also worked with us to set up a briefing and interview session for eight senior recreation publication journalists. His candid and informed responses to these reporters' questions were featured in nearly a dozen publications reaching hundreds of thousands of households.

Despite the many pressing demands on Secretary Hodel's time during this transition period, his interest in gaining the counsel of others is clear. We were able to spend considerable time with the Secretary last Friday morning. We talked about the new national commission on outdoor recreation created by President Reagan on January 28; about the protection and management of our parks and other public lands; about paying for the recreation services and facilities we need and about enhanced public/private cooperation. We found much common ground in our conversations. We came away enthused about the opportunities for progress in these and other areas during Don Hodel's tenure as Secretary of the Interior.

Don Hodel is a most qualified candidate to serve our nation as Secretary of the Interior. His knowledge of Interior issues and structure is great. He is extremely hard-working. He is a good listener and we have found his decisions understandable and based on fact. We urge rapid and positive action by this committee and by the full Senate on his nomination.

American Recreation Coalition

Dedicated to the protection and enhancement of every citizen's right to pursue health and happiness through leisure-time activities.

SUSTAINING MEMBERS: American Bus Association • American Motorcyclist Association • The Coleman Company, Inc. • Conference of National Park Concessioners • Dometic Sales Corporation • Family Motor Coach Association • Fleetwood Enterprises, Inc. • Foremost Insurance Company • Hehr International Inc. • International Snowmobile Industry Association • Jayco Incorporated • Kampgrounds of America, Inc. • Komfort Industries, Inc. • National Campers and Hikers Association • National Campground Owners Association • National Marine Manufacturers Association • National Motorsports Committee • National Outfitter and Livery Alliance • National Spa and Pool Institute • Onan Corporation • Recreation Vehicle Dealers Association • Recreation Vehicle Industry Association • Winnebago Industries.

GENERAL AND CONTRIBUTING MEMBERS: American All-Terrain Vehicle Association • American Association for Leisure and Recreation • American Camping Association • American Fishing Tackle Manufacturers Association • American Forestry Association • American Horse Council • American Hotel and Motel Association • American Land Development Association • American Power Boat Association • American Recreational Equipment Association • American Youth Hostels, Inc. • Archery Range and Retailers Organization • Association of Community Travel Clubs • Association of Importers/ Manufacturers for Muzzieloading • Bicycle Manufacturers Association of America • Boat Owners Association of the United States • Boating Trades Association of Texas • Carefree of Colorado • Champion Fleet Owners Association • Coachmen Industries, Inc. • Colorado Campground Association • Community Research and Resource Center • Eastern Professional River Outfitters • Experimental Aircraft Association • Good Sam Club • Holland Motor Homes • Huffy Corporation • Institute for Career and Leisure Development • International Association of Amusement Parks and Attractions • International Family Recreation Association • International Kart Federation • International Snowmobile Council • Intra-South Publications • Kampground Owners Association • Leisure Systems, Inc. • Marine Retailers Association of America • Maryland Association of Campgrounds • Michigan Boating Industries Association • Michigan Mobile Home and Recreation Vehicle Institute • Motorcycle Industry Council • National Association of Intercollegiate Athletics • National Club Association • National Employee Services and Recreation Association • National Forest Recreation Association • National Hot Rod Association • National Marina Association • National Off-Road Bicycle Association • National Outdoor Coalition • National Tour Association • North American Family Campers • Northern California Marine Association • Outdoor Resorts of America, Inc. • Pennsylvania Recreation Vehicle and Camping Association • Pony Baseball, Inc. • Recreation Vehicle Club Directors Association • Recreation Vehicle Indiana Council • Resort and Commercial Recreation Association • Roller Skating Rink Operators Association • Southern California Loners on Wheels • Southern California Marine Association • Special Recreation, Inc. • Specialty Equipment Market Association • Specialty Vehicle Institute of America • Sporting Goods Business Magazine • Texas Recreation Vehicle Association • United Bus Owners of America, Inc. • United Four Wheel Drive Associations • United States of America Field Hockey • U.S. Recreational Skiers Association • Wally Byam Caravan Club International • Warehouse Distributors Association for Leisure and Mobile Products • YWCA National Board.

Suite 700 • 1915 Eye Street, NW • Washington, D.C. 20006 • (202) 466-6870

PREPARED REMARKS OF U.S. ENERGY SECRETARY DONALD PAUL HODEL FOR THE AMERICAN RECREATION COALITION'S RECREATION ROUNDTABLE

THURSDAY, MARCH 22, 1984

PRESENTED BY DEPUTY SECRETARY OF ENERGY, DANNY J. BOGGS

Good Morning. I appreciate this opportunity to participate in ARC's Recreation Roundtable and share with you my thoughts on energy policy and its relationship to recreation.

This Nation is in an era of change. The change is good. As President Reagan said in his State of the Union address:

> "America is back -- standing tall, looking to the future with courage, confidence, and hope.".

I believe we can look to our energy future with confidence, but not complacency.

We have a National Energy Policy that is guiding us on the right course for America's energy future. The goal of that policy is simple -- to foster an adequate supply of energy at reasonable costs. To attain that goal, we have identified two strategies:

1) To minimize federal control and intervention in energy markets, while maintaining public health and safety and environmental quality; and,

2) To seek a balanced and mixed energy resource system.

These strategies are driving our federal policies in each major energy resource area. For example:

- We are continuing to seek decontrol of natural gas prices. Recent studies indicate that somewhere between one and three years' supply of natural gas is easily available -- close to the surface and at low cost. But that gas will not find its way to market until we have removed federally-imposed prices that are below the cost of recovery.

Some of those who are predicting inflated natural gas prices from decontrol are the same doomsayers who said gasoline prices would rise to $2 per gallon within a year of oil decontrol. Well, you don't have to go any further than the nearest gas station to see that prices have gone down, not up, since the President decontrolled oil prices three years ago. The average price per gallon of gas in 1983 was $1.22. The economic realities of the market have done more to bring down oil prices than all those years of frenetic government regulation.

We estimate that, had our natural gas decontrol bill been passed last year, we would have seen anywhere from a 7 to 10 percent decrease in consumer heating bills this winter. Competitive gas prices also should result in increased fuel switching, and thereby reduce demand pressure on the liquid fuels which are the only fuel choices many in your industry have.

- We are seeking to minimize our dependence on oil. As a result of Reagan Administration initiatives, domestic energy production is up, imports of insecure oil supplies are down, productivity has improved, energy prices have moderated, and a more reliable, less vulnerable energy system has emerged. In addition, we support an expanded role for coal and nuclear in our energy mix to meet increasing electricity demands and further reduce oil consumption.

As you know, however, there have been efforts in Congress to foreclose or narrow additional leasing for oil exploration on federal lands and on the Outer Continental Shelf. If we do not explore and produce our domestic resources, we will continue to increase our dependence on -- and our vulnerability to -- foreign sources of supply.

We are grateful for the active role the recreation community has played in educating its members on the importance of the continued availability of our federal energy resources.

- We are placing renewed emphasis on conservation. We view conservation as an important energy resource. It is incumbent upon every energy consumer -- industrial, residential, and recreational -- to continue to develop and use good conservation measures. Every bit of conservation achieved and renewables used in our energy system contributes toward reducing our dependence on foreign oil.

The good news is that, as a result of conservation, improved energy efficiency and increased domestic production, we are less dependent on foreign sources today.

U.S. consumption of oil is down 11 percent compared to 1980 levels. Consequently, our oil imports are down 33 percent. In addition, the current oil glut makes the threat of an embargo by OPEC almost inconceivable. We have diversified our suppliers -- none of the top four countries from which we import oil ship through the Strait of Hormuz.

Although we can take comfort in the fact that only 2-3 percent of our oil requirements come from the Persian Gulf, more than 20 percent of the free world's oil supply comes from the Gulf.

Western European countries range from 20 to 40 percent dependent on Gulf oil; Japan is nearly 55 percent dependent. So, even if we took no oil from that area, we need to be concerned about the reliance of our allies. In addition, the international economy is heavily interdependent, and instability in the Middle East producing region could lead to events that would affect the economies of our allies as well as ours.

President Reagan has said on several occasions that the U.S. and the free world would not stand by and allow the closure of the Strait of Hormuz. The Gulf States themselves would probably be the most seriously impacted by such a closure. Virtually their entire income is affected by their ability to reach the market.

However, the "threat" of such a closure, no matter how remote, is among those energy emergencies for which we must be prepared. Contingency planning is fundamental to our goal of ensuring an adequate supply.

Most of us remember too well how the 1973-1974 oil embargo affected our daily lives. As recreationists, we cannot -- and should not -- forget the closed gas stations on Sundays; proposals to curtail fuel use for certain recreation purposes; or the other rationing measures which would have severely affected our personal recreation agendas.

In 1974, RV sales plummeted -- down almost 45 percent from 1973. And, energy uncertainties contributed to about a 65 percent decline in RV sales from 1978 to 1980.

I know those of you in the boating community remember that it was only four years ago when the previous Administration announced a standby gasoline conservation plan to ban weekend motorboating -- just as the boat selling season began. Boat sales stopped and tens of thousands of jobs were lost as production of boats, boat engines and other components halted. The boating industry has estimated that 80 percent of those employed in boat manufacturing were at least temporarily thrown out of work.

When we look back, the first question that comes to mind is what would we do if it were to happen again.

In the event of a major supply disruption, the Reagan Administration is committed to continued reliance on the marketplace for price and allocation determination. Federal intervention in the past not only did not work, it actually worsened the situation.

Government controls have historically fouled-up the market. A recent edition of Oil Daily brought back a June 4, 1945, Newsweek article which reported that, as a result of a government meat allocation program, "The nation's supply of meat was so low last week that even the black market couldn't get it ... In most cities, the shortage was near famine proportions. Ironically, the number of livestock on farms and ranges was second only to last year's all-time high; yet empty meat counters testified that it was not finding its way to market ... it was evident that Washington's handling of the meat supply would go down as the No. 1 bungle of the war."

More recently, the gasoline lines in June and July 1979 are examples of shortages created by federal price and allocation controls. Shortages occurred in metropolitan areas, but not in rural, because the supply shortfall changed consumption habits and reduced out-of-town travel; under government controls, gas was allocated to rural areas in accordance with pre-disruption consumption patterns.

Unfortunately, past policies (and some proposals being suggested even now in and out of Congress) fail to acknowledge these facts and suggest that only "Government knows best" in energy emergencies. But, the sad truth is, a government forced to decide what is essential versus non-essential (or who should win and who should lose), can only make the wrong decision because there is no single solution.

There's a great risk that if price and allocation control authority is forced upon us, we'll stop looking for ways to deal with the real problem -- achieving energy security. We'll lose incentive to reduce our oil dependence. We'll ignore opportunities to address the problem in the market. If we had standby authority today, you can be sure we'd be engaged in a massive effort to determine when and how we should use it.

Our only protection against getting price and allocation controls is through continued, vigorous opposition. Most in industry do not support such controls short of a major national emergency and then, we feel the President already has sufficient authority.

Some, however, expect that they would qualify for "special treatment" in emergency situations. I don't have to tell you that the recreation community has never been advantaged in this manner. Your own interests dictate that you oppose federal standby authority.

The Reagan Administration's contingency planning realizes the important fact that market forces -- millions of American consumers making individual choices -- are the most efficient allocators of energy supplies. Individuals and firms are the only ones able to make decisions on how they can best cope with an energy shortage -- whether it be through conservation, use of alternative fuels, or other means.

So, we've focused our efforts on filling and maintaining the Strategic Petroleum Reserve (SPR); fostering a closer government-industry partnership; promoting public understanding of the importance of energy emergency preparedness; and, gathering and disseminating accurate and timely information.

Thanks to President Reagan's commitment to emergency preparedness, the SPR is three-and-a-half times bigger than when he took office. At over 385 million barrels, it provides 90 days supply of our 1983 net imports (in 1980, it was less than 17 days); and 900 days if Persian Gulf oil were cut.

In the event of a major disruption, we are committed to an early SPR drawdown, in cooperation with our allies, of a sufficient amount to reduce the volume lost to the market. But, I must point out that, although we recognize that using SPR to replace lost oil supplies will also likely diminish price effects, price manipulation will not be the reason for using SPR.

Many of the problems resulting from a disruption are caused by the panic reaction that follows the first news about it. We believe that panic can be avoided in large part if the public has the facts of the situation. The psychological factor in an emergency situation is the most difficult to address. Our plan to combat those "perceived" problems associated with a shortage is through development and implementation of a public awareness campaign -- starting now, not when it's too late.

I know you are most interested in how our contingency planning affects you as recreationists.

First, let me reiterate this Administration's recognition of the importance of recreation to our economy and quality of life. We must ensure that Americans are able to choose freely among a broad range of recreational opportunities. Our mission has been to expand the range of choices, not to impose our values or personal preferences.

I said earlier that our National Energy Policy is based on a strong faith in the individual and the free enterprise system. That faith also drives our energy emergency planning efforts. We must avoid policies which create inequities such as those contingency restrictions proposed during the 1973-1974 oil shock and in 1979.

In the event of an energy emergency, we do not intend to interfere with your recreation plans via a mandatory conservation program. In the past, gasoline used for recreation purposes was considered a frivolous expenditure during times of shortages. But, not only is recreation important to our quality of life, it is an industry which provides jobs and tax revenues.

Americans spend some $250 billion each year on recreation, and that sum has been growing faster than inflation over the past few years.

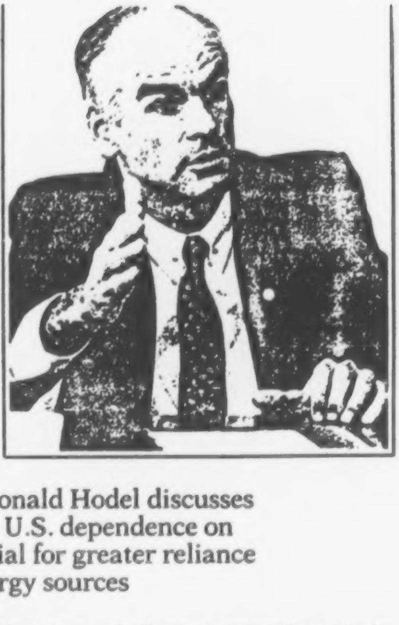
We will make every effort to ensure that those Americans whose jobs depend on making recreation available are not faced with a threat that their jobs will be suddenly singled out for extermination as a result of a heavy federal hand in contingency planning. We will encourage -- in all sectors -- voluntary conservation measures. No sector should be singled out to bear the brunt of a national problem.

The recreation community has been setting a model for action for all interest groups to follow. This Roundtable forum is a prime example of your commitment to a well-informed constituency. We in the Reagan Administration applaud your effectiveness in communicating important recreation issues to Washington, and your help in communicating federal agendas to your membership.

We have made great progress toward achieving energy security for this Nation. With your continued support, we can do more.

We need your help to keep the momentum going. We need to continue to develop and use good conservation measures, even before a special problem arises. Recreationists have always been energy conscious. Continue to help us educate others on the importance of conservation; and, most importantly, continue to speak out in support of the market as the best forum for price and allocation decisions.

If we do our job together, this Nation and the world will prosper. We will obtain an adequate supply of energy at reasonable costs and people everywhere will benefit. This is a worthwhile cause to work toward. I look forward to sharing it with you.



America's Energy Future

U.S. Secretary of Energy Donald Hodel discusses the national energy plan, U.S. dependence on Persian Gulf oil and potential for greater reliance on domestic energy sources

Editor's note: Donald Paul Hodel, fourth secretary of the U.S. Department of Energy, has held office since November 1982. In addition to several government posts connected with energy resources, Hodel and his wife formed their own private energy consulting firm in 1978.

A native of Portland, Oregon, Hodel holds a bachelor's degree from Harvard University and a Doctor of Jurisprudence from the University of Oregon School of Law. He is a member of the Oregon State Bar and the Federal Bar Association and has actively engaged in the practice of both corporate and private law.

The secretary's hobbies include downhill skiing, and it was in this connection that he and his family experienced the energy crisis of the last decade. He recalls that situation in this interview, while discussing his official and personal view on the nation's energy future and the Persian Gulf conflict.

MotorHome: *Would you give us a brief description of our present energy plan?*

Secretary Hodel: Our national energy plan seeks to provide an adequate supply of energy at a reasonable cost. We have two basic strategies. First, we want to minimize federal intervention in the marketplace. Some of the past problems have existed because government tried to allocate supplies. We recognize a continuing obligation for health, safety and environmental responsibilities, of course. Our second strategy is to try to provide a balanced and mixed energy supply.

MH: *Can we have a future where energy is readily available at reasonable cost?*

Hodel: This nation is blessed with tremendous energy potential. We have seen fit to close much of it off or discourage the production of some of it, which compounds our problems a bit. We are the Saudi Arabia of coal. We have enough uranium to run reactors beyond any that are presently planned. We have natural gas, which can't find its way to market because the government has the price controlled so low that you couldn't get your investment back if you developed it.

Two-thirds of the oil remains in the ground when we've pumped a field "dry" and we're working on enhanced oil-recovery techniques. Of course, so is the industry. It's a little bit like the tailings of old gold mines in the West; today they go back and mine the gold tailings and find out more was left than was taken out in the first go-round.

We also have a series of renewable energy resources. Hydroelectricity is not going to grow that much because you have to build more dams, and that is not very popular. We've got tremendous solar potential in this country, as well as geothermal and ocean-thermal opportunities. What we are trying to do is research and remove barriers to development. But we feel very strongly that the government ought not to be the developer. If we do, we tend to foul things up. I had somebody in a coal meeting not long ago say to me, "How come you are giving so much support to the nuclear industry and you aren't doing as much for the coal industry?" And I asked him, "Do you really want the federal government to do for the coal industry what it's done for nuclear energy?" The bottom-line answer is "no."

MH: *What is the greatest challenge we face in the energy field?*

more on page 122

REMCO: THE TOWING EXPERTS.

No matter what you plan to tow behind your RV, whether you have an automatic or stick shift car, pickup or van, REMCO has what you need. You can tow your rear or front wheel drive automatic with either our drive shaft coupling or our transmission Lube Pump. REMCO enables you to tow your automatic as you would any stick shift on all four wheels without transmission damage. We also offer a complete line of tow bars, including our new 5000 lb braking Tow Bar. The answers to your towing needs are just a toll-free call away. REMCO — The Towing Experts.

1-800-228-2481
1-402-339-3398

remco
4138 South 89th Street, Dept M
Omaha, NE 68127

Remco, Circle 84 on Reader Service Card

Pacific Northwest Motor Homes

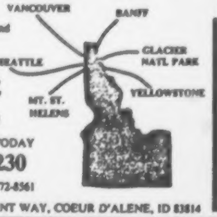
YOUR PACIFIC NORTHWEST FORETRAVEL DEALER

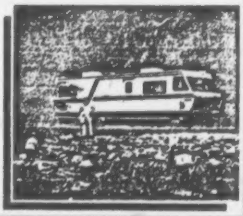
In the heart of the Year-round vacationland

Ask about our
FREE
AIR FARE
PROGRAM FROM
Anywhere in the U.S.!

CALL TOLL FREE TODAY
1-800-332-9230
In Idaho call collect: 772-8561

7416 N. GOVERNMENT WAY, COEUR D'ALENE, ID 83814





Country Camper
Personally Crafted by the Lee Family of Oregon

35' Diesel Pusher

AUBURN
MOBILE
HOMES
ACCESSORIES
SERVICE
INSURANCE

- INDOOR SHOPPING • BANK TERMS AVAIL.
- COMPLETE PARTS AND SERVICE
- CUSTOMER SERVICE IS OUR MOST IMPORTANT CONSIDERATION SINCE 1953

"IT PAYS TO DRIVE A WAYS"
Phone (206) 833-3368
2536 AUBURN WAY N. • AUBURN, WA 98002

• Diesel Pusher • Front Engine Class A • Mini-Motorhomes •

HODEL from page 60

Hodel: We remain too dependent on oil, not only imported, but all oil. We've got to continue to move aggressively to minimize that dependency. One of the toughest problems I have as secretary is to try and maintain momentum with oil conservation and renewables at a time when people think we have a glut. I don't know how we can really look at the world today, especially with the Persian Gulf situation, and think that we have an oil glut.

MH: *You described the two key elements of the current national energy plan. Can you differentiate that plan from those of previous administrations?*

Hodel: I think that the goal we have is the same goal other administrations, both Republican and Democratic, have had, and that is, adequate supply at reasonable cost. Where we differ is with strategies. I think strategy No. 1 is minimizing federal intervention–and that is quite different. Previous administrations brought government in, and it did not work. The shortage in '79 was most assuredly caused by government intervention. It did not exist in reality, but was created by allocating.

The allocation was based on prior year's usage, and that meant that resorts during resort season got extra gasoline. The problem was that people feared the shortages and stayed home. So they were short of gasoline at home while resort areas had too much gasoline–they didn't even have enough storage space for it! But you couldn't take it from where it was in surplus to where it was needed without a permit from the Department of Energy. And the Department of Energy was not equipped to produce those permits quickly, because they had to make sure that somebody wasn't cheating. Other countries did not intervene in the marketplace. They had no lines and no shortages.

MH: *One of the administration's first energy-related actions was to decontrol oil prices. Has that brought about the expected changes?*

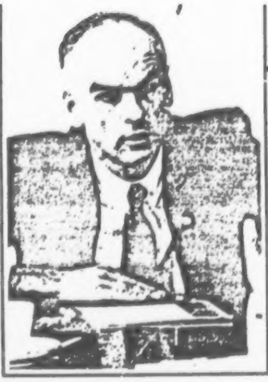
Hodel: The president's decontrol of the price of oil obviously had an impact. We were warned that if we did that, the price of gasoline would go to $2 per gallon by December 1981, and, of course, it went in the other direction. And we are still below the price of gas, even with the new fed-

HODEL

eral 5-cent tax added, that existed when the president came into office.

MH: *You seem remarkably optimistic about our nation's future and energy supplies. Why?*

Hodel: I believe there will be a breakthrough, sometime in our lifetime, which will change the way energy is produced and consumed and priced. But I don't know where that breakthrough will be. What we need to do is to keep pushing on all energy frontiers, so that when it is available, we can help make it happen.



MH: *Your comments right there mark you as different from some of your predecessors. They saw their job as allocation of shortages, and painted a gloomy picture about our energy resources. That is how they justified proposals to ban weekend boating and to institute excise taxes on various kinds of recreational equipment. Are you saying that such provisions are not going to come from this administration?*

Hodel: I do not believe that those will come from this administration. First of all, we know for a fact that there is a tremendous energy potential out there. There is more energy than we will ever conceive of consuming, especially if we have the kind of breakthrough we were just talking about. The problem we have is that it may not be available when you need it, at the price you can afford, in a form that you can use. That is what our challenge is. We advocate conservation as a means of improving quality of life, so we don't waste money on things we shouldn't spend it on. When it comes to energy, it is foolish for a nation to use its resources wastefully. But I think what we need to recognize is that the marketplace is the best allocator.

MH: *We touched on energy disruptions of the 1970s. Do you have any personal recollections of those days?*

Hodel: We had gasoline shortages in Oregon, where I had lived all my life until three years ago. We would get gasoline in our car during the week, so that we could go skiing on the weekend during the shortage. Then, during the week we would not go to the store; we would arrange doctor and dentist appointments and anything like that so that we could save our gasoline for the weekend. We didn't use any more gasoline than we would have otherwise, but we saved it for what we wanted to use it on—and that happened to be a recreational use. And I happen to believe that recreation is an essential part of the re-creating of people, and the whole psyche of the country benefits from that. So I hope that we won't

Diesel Pusher
Mini Motorhomes

Country Camper

"Built by people who care—for people who care.

Authorized CHEVROLET parts, warranty and service on the finest names in the industry

- NO SALES TAX IN OREGON
- GMAC FINANCING
- TRADES ARE WELCOME

"We're the dealer who makes the difference"

ROMANIA'S RV Center

901 Franklin Blvd.
Eugene, OR 97403
(503) 345-1099
Call us before you buy!

CENTURY

Travel Jon

QUALITY - VALUE

Travel Jon® Concentrate WASTE DIGESTER POWDER

☐ NO FORMALDEHYDE
☐ Harmless enzyme product
☐ Cleans holding tanks
☐ Liquifies all waste
☐ Safe for all septic systems
☐ Longer-lasting odor control

CENTURY Bio-Soft TOILET TISSUE

Bio-Soft Degradeable TOILET TISSUE

☐ BEST VALUE: 25% More Tissue
☐ Formulated to completely disintegrate rapidly
☐ Prevents clogging in all holding tanks and septic systems
☐ White ... 500 2-Ply sheets per roll
☐ Four rolls per package

Century Chemical Products
ELKHART, INDIANA

Century Chemical. Circle 11 on Reader Service Card

fall again into this idea that recreation is a luxury. People will make that judgment [individually] based on the availability and the price of fuel, but we should not, as government, be doing the allocating.

MH: *Has the heating up of the conflict in the Middle East caused any reassessment of the administration's position on standby allocation in an emergency?*

Hodel: It has not caused a change in our position. We keep reassessing, because we are under pressure constantly to accept standby allocation and price-control authority. We resist that. It is interesting for me to watch this finally become a public issue in a very real sense. Beginning in July of 1983, we increased our intensity of effort enormously because the French sent new jets to Iraq, and Iraq announced they would use them on Iranian ships in order to bring about negotiations in the Iran/Iraq war.

For six months, I felt that I was talking about the Persian Gulf as a tremendous threat to America, and no one was paying any attention to it. Now it has made the front pages, and probably there is an overreaction. We are much better off than at any other time during the last 10 years, but we are still too dependent on the gulf to ignore what happens there.

MH: *Back in 1979, some claimed there was no oil shortfall, just allocation and distribution problems. These same sources say that if the Persian Gulf is shut down, even after increases from other sources, we will see a real oil shortage. Any comments?*

Hodel: In 1979, there was not a shortage; we created one. And yes, if we lose the oil production of the Persian Gulf, we absolutely would have a shortage. It is something that is severe enough that, if it were to be prolonged and if we were invited, we might have to take relatively drastic action and go in there and do something about it. While we have a great deal of concern, we are not wringing our hands and groaning. One of our concerns is panic. If the gulf were closed today, and there were no communications system in the world, we wouldn't find out for 30 or 45 days, until the first tanker didn't show up.

There is lots of oil in the pipeline. We have 400 million barrels in the Strategic Petroleum Reserve that could protect us against the loss from the gulf for over 800 days, if we were isolated. We are not isolated, so it wouldn't last that long. Our share coming out of the gulf is quite small. The world market is like a big swimming pool, though. There is a big drain at one end, way away from us; but if somebody pulls the plug, the level of water in the pool will go down for all of us. Japan is 60 percent dependent on the gulf. Western European countries range between 20 percent to 40 percent dependent – overall about 25 percent total in Western Europe. The gulf supplies 20 percent of the free world's oil. We can replace part of it by increased production from outside the gulf, but not all of it. And we end up with figures showing a shortage of anywhere from 3 million to 5 million barrels a day. That is a big enough shortage that we have to be concerned about it.

On the other hand, our initial calculations indicate that, if you had a shortage of that magnitude, the price of oil, if it were free to rise, might run to the level of the prices (in real terms) that existed when the president took office. That is too high by our standards, but it is not a disaster to the world.

We are trying to chart a course that makes some sense. Nobody really believes you can block the gulf for an extended amount of time. Certainly the people in the gulf don't believe that. Storms in the gulf have kept tankers from moving for 12 days, and we never noticed it. So, theoretically, you could have a 12-day closure of the gulf and nothing would happen. But you know what spot market for oil can do to oil prices. We have very real concerns, but can be somewhat confident because of the preparations we have made. We dare not be complacent.

By the same token, I don't want the American people to react with panic to a cutoff of oil from the gulf. A cutoff will not affect them in a 24- to 48-hour time period, but we all know that if every automobile in America went to the gas station in the same 24-hour period, we would see shortages. The gasoline stations don't have big enough tanks to serve them all.

MH: *Should the uncertainties in the gulf continue and our domestic reserves continue to dwindle, what alternate fuels would be the most desirable to develop for mass public consumption – from an economic, technological and emissions standpoint?*

Hodel: There is a substantial switchover capability from oil to natural gas in boilers, although the switch is now going in the other direction. The price of oil has dropped enough so that people have been switching away from natural gas back to oil, which is not good in the long run. They would have to switch back to natural gas. Also, we've got power plants that could replace a lot of industrial and residential heating-oil requirements by producing electricity through coal.

In the transportation sector, it looks to me as if the road for ethanol is fairly well charted. We have enough experience with ethanol at the 10-percent-blend level to know it is a clearly workable fuel that could be put into automobiles. We are also testing methanol and liquid propane in vehicles. They are all feasible. They do not have large infrastructures in place, though, and that is part of the problem. It [development] probably would be stimulated if we had a fuel-supply cutoff and an increased price of gasoline, but almost all those alternatives have been adversely affected by dropping gasoline prices."

MH: *What powers do state governments have over the use of fuel during an energy emergency? In the 1970s, Minnesota proposed a conservation plan that could have banned the use of RVs on public roads and snowmobiles on all public trails. Can states do to recreation what you at the federal level seek to prevent – discriminate against us in allocating energy supplies?*

Hodel: We don't have much control over state actions. There is some talk within Congress about legislation that would preempt states from developing fuel set-aside programs, but we believe in permitting state and local governments to be flexible. We may not be sympathetic to what Minnesota proposed – it seems to us that it is not the right way to go – but we believe Minnesota has the right to make that kind of decision. It is not our desire to tell the states how to run their business or to intervene and force federal takeover. In the long run, society will pay a heavier price for mistakes that the federal government makes. What will happen is that some states will try to allocate, and the rest will be able to see what a horrible mess they've created and avoid that path. But once we do it at the federal level, and create the federal bureaucracy, it's very, very hard to back out. □

The CHAIRMAN. Thank you.
Mr. Shepard.

STATEMENT OF JAMES M. SHEPARD, DIRECTOR, NATIONAL/INTERNATIONAL OPERATIONS, DUCKS UNLIMITED, INC., GROVE, IL

Mr. SHEPARD. Thank you very much, Mr. Chairman. My name is James Shepard, director of National/International Operations for Ducks Unlimited.

On behalf of our organization, I would like to thank you personally for the opportunity to present a statement to you today. I will be brief. I have presented a written statement for your later use.

I do want to urge the confirmation of Donald Paul Hodel as Secretary of the Department of the Interior. His skill as an effective administrator and resource manager more than qualify him for this important post. But before, Mr. Chairman, I do go into Mr. Hodel's credentials, I would like to take just a few moments to outline for your information Ducks Unlimited's interests and associations with the Secretary of the Department of the Interior—and I say this primarily because we do rarely come into the Capital City.

Ducks Unlimited was established in 1937 for the single purpose of developing, preserving, restoring, and maintaining water fowl habitat on the North American Continent. Through the efforts of its over 560,000 members—I might add, these are full members of the organization; we have nearly 2 million supporters of the organization—Ducks Unlimited has sent to Canada, where over 70 percent of the continent's migratory water fowl originate, a sum in excess of $200 million.

Currently Ducks Unlimited has nearly 3½ million acres of wetlands under reservation and management. This monetary expenditure and acreage is about the equivalency to that which the United States Fish and Wildlife Service has spent for its small wetlands acquisition programs here in the United States.

In addition to the expenditures in Canada, since 1971 Ducks Unlimited has spent nearly $4.5 million on wetlands enhancement programs in Mexico and is just now rounding out its continent-wide programs by budgeting $8.5 million this year for habitat development within the continental United States, and for its satellite imagery programs that we undertake cooperatively with NASA.

Gentlemen, I would like to simply summarize these expenditures by indicating that nearly $50 million will be spent by Ducks Unlimited this year, 1985, for actual on the ground construction and development of wetlands programs on this continent.

Ducks Unlimited has endeavored to work as closely as possible with the Secretary of the Interior and his assistants who have responsibility for fisheries and wildlife resources. Again during 1985 we plan to turn over to the Migratory Bird Commission, of which the Secretary of the Interior is the chairman, a sum that will be in excess of $1 million for utilization this year by the Fish and Wildlife Service in acquisition and/or other management programs in the water fowl production States of South Dakota, North Dakota, Montana, and Minnesota.

I am particularly pleased after hearing the comments here today, Mr. Chairman, to be able to relate that. That certainly is not going to solve the problems that are facing the Secretary, but I might add this is simply a start with our organization to help.

These funds are being made available as the result of a cooperative program between Ducks Unlimited and Interior in commemorating the 50th anniversary of the duck stamp program. I might say that I leave for Peru next week to join with the U.S. Fish and Wildlife Service and Interior people in a program to assist the South Americans in developing their wetlands programs and making their governments familiar with and aware of the necessities to maintain wetlands.

Last, I would simply like to indicate that this year, 1985, we will see our organization funding wetlands development programs in cooperation with all of the 50 State fish and game departments in this country.

Mr. Chairman, I have taken your time to explain the activities and the programs of Ducks Unlimited in order that you might appreciate the close working relationship and cooperative spirit that exists between the Interior Department and this private-sector organization, Ducks Unlimited.

I would like to close by indicating that in studying the record of Mr. Hodel, we can find nothing that would indicate he has done anything but an exceptional job while in Energy, Interior, and previously while serving as an administrator of the Bonneville Power Administration in Oregon.

In the spirit of true public service, he has performed his duties with great integrity and firm resolve. His considerable management skills and experience will enable Interior to foster cooperation between public and private sector interests which is so vital to natural resource conservation.

As such, my organization respectfully asks for his quick confirmation.

[The prepared statement of Mr. Shepard follows:]

"STATEMENT BY JAMES M. SHEPARD, DIRECTOR, NATIONAL/INTERNATIONAL OPERATIONS, DUCKS UNLIMITED, INC., AT CONFIRMATION HEARINGS FOR DONALD PAUL HODEL, AS SECRETARY OF THE INTERIOR."

MR. CHAIRMAN:

ON BEHALF OF DUCKS UNLIMITED, I WANT TO THANK YOU FOR THE OPPORTUNITY TO PRESENT A STATEMENT BEFORE YOUR COMMITTEE. I WILL BE BRIEF, AND WILL PRESENT A WRITTEN STATEMENT FOR YOUR LATER USE. I DO WANT TO URGE THE CONFIRMATION OF DONALD PAUL HODEL AS SECRETARY OF THE DEPARTMENT OF THE INTERIOR. HIS SKILLS AS AN EFFECTIVE ADMINISTRATOR AND RESOURCE MANAGER MORE THAN QUALIFY HIM FOR THIS POSITION. BEFORE I DISCUSS MR. HODEL'S CREDENTIALS, I WOULD LIKE TO TAKE A FEW MOMENTS TO OUTLINE DUCKS UNLIMITED'S INTEREST AND ASSOCIATION WITH THE SECRETARY OF THE INTERIOR.

DUCKS UNLIMITED WAS ESTABLISHED IN 1937 WITH THE SINGLE PURPOSE OF DEVELOPING, PRESERVING, RESTORING AND MAINTAINING WATERFOWL HABITAT ON THE NORTH AMERICAN CONTINENT. THROUGH THE EFFORTS OF ITS OVER 560,000 MEMBERS, DUCKS UNLIMITED SENT TO CANADA, WHERE THE MAJORITY OF THE CONTINENT'S MIGRATORY WATERFOWL ORIGINATE, A SUM IN EXCESS OF $200 MILLION. CURRENTLY DUCKS UNLIMITED HAS NEARLY 3.5 MILLION ACRES OF WETLANDS UNDER RESERVATION AND MANAGEMENT. THIS MONETARY EXPENDITURE AND ACREAGE IS THE EQUIVALENT TO WHAT THE UNITED STATES FISH AND WILDLIFE SERVICE HAS SPENT FOR ITS SMALL WETLANDS ACQUISITION PROGRAM.

IN ADDITION TO THE EXPENDITURES IN CANADA, SINCE 1971 DUCKS UNLIMITED HAS SPENT NEARLY $4.5 MILLION ON WETLANDS ENHANCEMENT PROGRAMS IN MEXICO AND IS JUST NOW ROUNDING OUT ITS CONTINENT-WIDE PROGRAMS BY BUDGETING $8.5 MILLION FOR HABITAT DEVELOPMENT WITHIN THE CONTINENTAL UNITED STATES AND FOR ITS SATELLITE IMAGERY PROGRAMS WITH NASA. GENTLEMEN ON THE COMMITTEE, I WOULD LIKE TO SUMMARIZE THESE EXPENDITURES BY SIMPLY INDICATING THAT NEARLY $50 MILLION WILL BE SPENT BY DUCKS UNLIMITED THIS YEAR FOR ACTUAL ON-THE-GROUND CONSTRUCTION AND DEVELOPMENT OF WETLANDS ON THIS CONTINENT.

DUCKS UNLIMITED HAS ENDEAVORED TO WORK AS CLOSELY AS POSSIBLE WITH THE SECRETARY OF THE INTERIOR AND HIS ASSISTANTS WHO HAVE RESPONSIBILITY FOR FISHERIES AND WILDLIFE RESOURCES. DURING 1985, WE PLAN TO TURN OVER TO THE MIGRATORY BIRD COMMISSION A SUM THAT WILL BE IN EXCESS OF $1 MILLION FOR UTILIZATION BY THE FISH AND WILDLIFE SERVICE IN ACQUISITIONS AND/OR OTHER MANAGEMENT PROGRAMS IN THE WATERFOWL PRODUCTION STATES OF SOUTH DAKOTA, NORTH DAKOTA, MONTANA, AND MINNESOTA. THESE FUNDS ARE BEING MADE AVAILABLE AS A RESULT OF A COOPERATIVE PROGRAM BETWEEN DUCKS UNLIMITED AND INTERIOR IN COMMEMORATING THE 50TH ANNIVERSARY OF THE DUCK STAMP PROGRAM.

LASTLY, I WOULD SIMPLY LIKE TO INDICATE THAT THIS YEAR, 1985, WILL SEE OUR ORGANIZATION FUNDING WATERFOWL/WETLANDS DEVELOPMENT PROGRAMS IN COOPERATION WITH FISH AND GAME DEPARTMENTS IN ALL FIFTY STATES.

MR. CHAIRMAN, I HAVE TAKEN YOUR TIME TO EXPLAIN THE ACTIVITIES AND THE PROGRAMS OF DUCKS UNLIMITED IN ORDER THAT YOU MIGHT APPRECIATE THE CLOSE WORKING RELATIONSHIP AND COOPERATIVE SPIRIT THAT EXISTS BETWEEN THE INTERIOR DEPARTMENT AND THE PRIVATE SECTOR ORGANIZATION DUCKS UNLIMITED.

I WOULD LIKE TO CLOSE BY INDICATING THAT IN STUDYING THE RECORD OF MR. HODEL, WE CAN FIND NOTHING THAT WOULD INDICATE HE HAS DONE ANYTHING BUT AN EXCEPTIONAL JOB WHILE IN ENERGY, INTERIOR, AND PREVIOUSLY WHILE SERVING AS AN ADMINISTRATOR AT THE BONNEVILLE POWER ADMINISTRATION IN OREGON. IN THE SPIRIT OF TRUE PUBLIC SERVICE, HE HAS PERFORMED HIS DUTIES WITH GREAT INTEGRITY AND FIRM RESOLVE. HIS CONSIDERABLE MANAGEMENT SKILLS AND EXPERIENCE WILL ENABLE INTERIOR TO FOSTER COOPERATION BETWEEN PUBLIC AND PRIVATE SECTOR INTERESTS WHICH IS SO VITAL TO NATURAL RESOURCE CONSERVATION. AS SUCH, WE RESPECTFULLY ASK FOR HIS QUICK CONFIRMATION.

The CHAIRMAN. Thank you very much.

Mr. Santini, welcome before the committee again.

STATEMENT OF JAMES D. SANTINI, WASHINGTON REPRESENTATIVE, NATIONAL TOUR ASSOCIATION

Mr. SANTINI. Mr. Chairman, I am glad I made it.

Mr. Chairman, I come forward today as a westerner, former Member of the U.S. Congress, and primarily as the Washington, DC, representative of the National Tour Association, and all of its tour operators, suppliers, and public sector organization members, to offer our full support to the confirmation of the Honorable Donald P. Hodel as Secretary of the Interior.

As a former Member of Congress who served on the Interior and Insular Affairs Committee of the House of Representatives, who watched over nearly a decade as the Department of the Interior struggled to bring its historical legacy in line with the environmental consciousness of the day, and who shared the common disappointment as important national issues were either set aside or allowed to become mired in unnecessary controversy, I, along with all Americans, have a continuing interest in the department's future.

As such I welcome Secretary Hodel's nomination, for I am confident that his past record, as a manager, as a Cabinet officer, will allow him to face the difficult issues that lie ahead with the calm and easy manner that has characterized his efforts in the past.

We who have struggled so ourselves, while addressing the often impossible natural resource conflicts inherent within the unique mandate of the Department of the Interior, know that those conflicts will remain. What cannot remain is a department incapable of or unwilling to make decisions or in making those decisions a department which allows the controversy to surround the rhetoric and not the reality of the issues it addresses.

As a representative of the National Tour Association, a $9 billion a year industry that is a vital link in the travel and tourism $200 plus billion service industry, we are pleased to join in the endorsement of Donald Hodel.

Each year over 300 million visitors come to America's national parks to behold the grandeur of a park system that is truly the envy of the world. According to a report of the General Accounting Office, the investigative arm of the U.S. Congress, as recently as 4 years ago many of our national parks were in dreadful condition.

Today those parks have undergone a major restoration through a 4-year, billion dollar program which Secretary Hodel helped develop and implement during his tenure at the Department of the Interior.

While helping to maintain the national vitality of tourism by preserving the beauty and safety of our national parks, Secretary Hodel was singularly responsible for another important contribution. In 1981, he innovated the Tourism Liaison Office within the U.S. Park Service, an agency first.

Clearly, he appreciates the fact that the tour operator industry is the main conveyor of visitors to our national parks. That industry thus enables millions of Americans to experience firsthand the wonder and the beauty of this Nation's national parks while freeing the parks of much of the congestion of single family vehicular traffic.

In addition, without the tour coach, a substantial number of handicapped Americans and senior citizens would never know the magnificence of our park system.

Mr. Chairman, I would offer an additional emphasis that concerns all of us and is of particular relevance to the group tour industry. During the ongoing debate over possible action by the Federal Government during an energy shortage, this Administration, under the wise leadership of Secretary Hodel, has consistently noted its intention to depend upon the marketplace for the proper allocation of fuel.

He rejected the ill-conceived and simplistic programs such as weekend gas station closings. This is correct public policy. No governmental body has yet been devised which could effectively deal with the Federal apportionment of energy resources, and we are confident that any such entity would sharply curtail an activity that is not merely a recreation but a vital part of the American economy.

Mr. Chairman, I join with those on the panel in urging the speedy confirmation of Donald P. Hodel.

Thank you.

[The prepared statement of Mr. Santini follows:]

BIBLE, SANTINI, HOY & MILLER
ATTORNEYS AND COUNSELLORS AT LAW
350 SOUTH CENTER STREET
SUITE 880
RENO, NEVADA 89501-2155
(702) 786-8000

PAUL A. BIBLE
JAMES D. SANTINI
DAVID R. HOY
JOHN C. MILLER
RICHARD M. TRACHOK, II

OF COUNSEL:
ALAN BIBLE

ELKO OFFICE
BLOHM BUILDING
SUITE 201
ELKO, NEVADA 89801
(702) 738-8064
RES. JOHN C. MILLER

WASHINGTON, D.C. OFFICE
900 17TH STREET, N.W.
9TH FLOOR
WASHINGTON, D.C. 20006-2501
(202) 429-1910
RES. JAMES D. SANTINI

REPLY TO: Washington, D.C.

Testimony of

James D. Santini

Confirmation Hearing for

Donald P. Hodel

for

Secretary of Interior

Mr. Chairman, I come forward today as a westerner, a former Member of the U.S. Congress, and primarily as the Washington, D.C. representative of the National Tour Association and all of its tour operators, suppliers and public sector organization members to offer our full support of the confirmation of the Honorable Donald P. Hodel as Secretary of the Interior.

As a former Member of Congress who served on the Interior and Insular Affairs Committee of the House of Representatives, who watched over nearly a decade as the Department of the Interior struggled to bring its historical legacy in line with the environmental consciousness of the day, and who shared a common disappointment as important national issues were either set aside, or allowed to become mired in unnecessary controversy, I, along with all Americans, have a continuing interest in the Department's future.

As such I welcome Secretary Hodel's nomination, for I am confident that his past record, as a manager, as a Cabinet officer and as a man will allow him to face the difficult issues that lie ahead with the calm and easy manner that has characterized his efforts in the past. We,who have struggled so ourselves, while addressing the often imponderable natural resources conflicts inherent within the unique mandate of the Department of the Interior know that those conflicts will remain. What cannot remain is a Department incapable of or unwilling to make decisions or in the making of those decisions, a Department which allows the controversy to surround the rhetoric and not the reality of the issues it addresses.

As the representative of the National Tour Association - a nine billion dollar a year industry that is a vital link in the travel and tourism 200+ billion dollar service industry, we are pleased to join in the endorsement of Donald Hodel. Each year over 300 million visitors come to America's National Parks to behold the grandeur of a park system that is truly the envy of the world. According to a report of the General Accounting Office - the investigative arm of the U.S. Congress - as recently as four years ago many of our National Parks were in dreadful condition.

Today those parks have undergone major restoration through a four-year, billion dollar program which Secretary Hodel helped develop and implement during his tenure ar the Department of the Interior.

While helping to maintain the national vitality of tourism by preserving the beauty and safety of our National Parks, Secretary Hodel was singularly responsible for another important contribution. In 1981, he innovated the Tourism Liaison Office within the U.S. Park Service - an agency first. Clearly, he appreciates the fact that the tour operator industry is a main conveyor of visitors to our National Parks. That industry thus enables millions of Americans to experience first-hand the wonder and beauty of this nation's national parks, while freeing the parks of much of the congestion of single family vehicular traffic. In addition, without the tour coach, a substantial number of handicapped Americans and senior citizens would never know the magnificence of our park system.

Mr. Chairman, I would offer an additional emphasis that concerns all of us and is of particular relevance to the group tour industry. During the ongoing debate over possible action by the federal government during an energy shortage, this Administration, under the wise leadership of Secretary Hodel, has consistently noted its intention to depend upon the market place for the proper allocation of fuel. He rejected the ill-conceived and simplistic programs, such as weekend gas station closings. This is correct public policy. No governmental body has yet been devised which could effectively deal with federal apportionment of energy resources and we are confident that any such entity would sharply curtail an activity that is not merely a recreation but a vital part of the American economy.

Mr. Chairman, I urge the speedy confirmation of Donald P. Hodel.

Thank you.

The **Chairman**. Thank you very much.

Each of you and your organizations are known to members of this committee and certainly to this Senator. We appreciate the contributions that each of you have made from time to time, and I should perhaps have expressed that to some of the other witnesses and other panels as well.

The opportunity to say thank you isn't often here, but we do thank you and other witnesses and their organizations for the contribution made to the public dialog, even when sometimes we don't agree with the statements which are made.

Mr. Santini, I want to particularly say thanks to you for not only your former interest when a Member of the Congress of the United States in the issue of critical minerals, but also in the continuing interest that you have expressed and the effective action you have taken since leaving that body and undertaking other pursuits.

Critical materials is a subject which is easy to lose in public discussions because it doesn't have a high profile, because many people don't recognize how critical it is to our country, and I particularly appreciate your voice in that dialog.

Mr. **Santini**. Thank you very much, Mr. Chairman.

The **Chairman**. Thank you. I have no questions of members of the panel. Thank you very much for your appearance and testimony today.

Our final witness on the witness list is Mr. Theodore N. Gianoutsos. And again, I think you are aware of the 5-minute limitation. Even though it is the end of the list today, in fairness to other witnesses, we will adhere to that rule as well.

Your prepared statement will appear in full in the record. You may proceed with the use of your time in whatever way you may see fit.

STATEMENT OF THEODORE N. GIANOUTSOS, ARLINGTON, VA

Mr. **Gianoutsos**. Thank you very much, Mr. Chairman.

Mr. Chairman, in the 5 minutes which I have, which you have made available to me, I wish to share with you two events from my formal statement which illustrates the wrongdoing at Interior under Watt, Hodel, and Clark.

On June 16, 1983, in a face-to-face meeting with Secretary Watt, I disclosed to him millions of dollars of waste, gross mismanagement, abuse, and prohibitive personnel practices which took place in the Office of the Secretary, where I worked.

Five days later, I repeat, 5 days later, this request was made to the FBI asking for an investigation on me under the infamous 1954 Presidential Executive Order No. 10450, used to find and remove from Government service suspected communists and subversives.

Mr. Chairman, notwithstanding Mr. Watt's well-known fanaticism, I am no more a Communist because I happen to be a strong Democrat than I am a Fascist because I happen to be a benefactor member of the National Rifle Association. This was my reward for answering President Reagan's call to reduce the deficit by eliminating waste and mismanagement in the Federal Government.

Two months later, on September 6, 1983, I was further rewarded by being physically escorted under armed guard from the main Interior building and illegally fired.

The second thing I wish to share with you is an important contribution to Interior and a unique response to President Reagan's call for private sector initiative in volunteerism.

Here is an autographed copy of the National Fish and Wildlife Foundation Act. As I am sure you know, my wife, Francoise, who is here with me today, and I are its founders.

Despite the fact that this legislation was cosponsored by 60 Members of Congress, including the leadership of both Houses and both parties, and including eight members of this committee, and you yourself, Mr. Chairman, it was sabotaged by Watt and Clark in retaliation for my disclosures of waste and mismanagement at Interior.

President Reagan himself even went so far as to call it an unwise and dangerous precedent in his most unusual and highly negative signing statement.

All of this mean-spirited and vindictive behavior culminated 2 weeks ago today, on Friday, January 18, with Clark in this press release taking full credit for the foundation and not even mentioning our names on the very day my father died.

I have here, Mr. Chairman, his proudest possession, his citizenship papers. Can you imagine what it would have meant to him to have been at a White House signing ceremony honoring the contribution of his son? What kind of administration, Mr. Chairman, and what kind of public officials would deny an old immigrant that once in a lifetime magic moment?

This is the depth to which Interior and this administration have sunk. Reject Hodel and the failed policies of the past. Tell the President that you will not stand for 4 more years of this kind of outrageous behavior and conduct.

[The prepared statement of Mr. Gianoutsos follows:]

PREPARED STATEMENT OF THEODORE NICKOLAS GIANOUTSOS

First and foremost I wish to thank Chairman McClure and all the members of the Committee for the opportunity to testify here today on the occasion of the confirmation hearings of Donald Paul Hodel as Secretary of the Interior. I must admit that after all that has happened to my wife and me during the first Reagan administration, I had grave doubts as to whether I would be allowed to testify. Fortunately, eventhough justice is not to be found in the Executive Branch, fair play is alive and well in the Congress.

I come before you today to oppose Mr. Hodel's nomination and to tell you that there is something desperately wrong at Interior, as well as, in a related way at the White House, the Office of Personnel Management, and the Office of the Special Counsel at the Merit System Protection Board.

On January 11, 1985 in Phoenix, Arizona, Donald Hodel took a page out of Richard Nixon's book and said, according to the Associated Press, "I am not a Jim Watt clone." Be that as it may, the fact is that Mr. Hodel as UnderSecretary to Watt and an integral member of the Watt management team was involved up to his eyeballs in the endemic waste and mismanagement of the Watt era.

Gentlemen, I submit to you that there is something very wrong when a President comes to Washington as Ronald Reagan did in 1981 promising to reduce the deficit by eliminating waste and mismanagement in the Federal Government and both the deficit and the waste and mismanagement increase dramatically.

There is something wrong when the President appoints Inspector Generals "meaner than the junkyard dogs" and then Richard Mulberry, Interior IG, is forced to resign in disgrace because he restricted the scope of his investigations and was too close to management.

There is something wrong when I disclose millions of dollars of waste, gross mismanagement, abuse, and prohibited personnel practices directly to the same IG not once but twice (first for 3 hours and later for 2 hrs) and then he promises a full and complete investigation; instead he restricts the initial investigation; is forced to do a follow-up investigation which leads to a criminal fraud investigation by the US Attorney's office in Alexandria, Va.

There is something wrong when my signed sworn affidavit is found to be in the hands of the UnderSecretary (Hodel), had his handwriting and initials on it with a note to the IG and then Hodel cannot recall how and when he got it and why he had it.

There is something wrong when, following my disclosures to the IG, reprisals begin and continue for 18 months. There is something dramatically, terribly wrong when, following my disclosures of waste, mismanagement, abuse, prohibited practices directly to Secretary Watt, in the presence of his Solicitor Coldiron, his UnderSecretary Simmons on June 16, 1983 and then 5 days later on June 21 a request is issued to the FBI from the

Office of the Secretary for an investigation on me under the authority of the infamous 1954 EO 10450 used to find and remove from Civil Service suspected communist subversives.

There is something wrong when the Deputy UnderSecretary under Hodel Lisle Reed later to serve in the same capacity under Simmons and Mclaughlin resonds "big deal" when I told him of the waste, mismanagement, corruption at Interior and then goes on to conspire in my illegal firing.

There is something desperately wrong when senior officials of the Department (Arnett and Jantzen) attempt to bribe me by offering me significantly higher positions in return for my silence.

There is something wrong when the individuals involved in the waste and mismanagement are promoted to insure their silence.

There is something wrong when I, a whistleblower, answering the President's call and doing my duty, am escorted out of the main Interior building under armed guards by the chief of Watt's security and his deputy, treated as a criminal and physically locked out of the building pending my official firing.

There is something wrong when the principal deputy Assistant Secretary for Policy, Budget and Administration (Richard Hite) under Watt and Hodel is directly responsible for the office in which the waste and mismanagement occurred and then is directly involved in my illegal firing. There is something wrong when that same Deputy Assistant Secretary, Richard Hite, is also the Agency Ethics Official, a position which he held from February 1981 when brought back to Interior by Watt until the exact day WRC-TV Channel 4 broadcasts a special report on September 24 concerning my situation. There is something wrong when the same individual, Richard Hite, occupies the position of Acting Assistant Secretary for 18 months following the departure of Gerry West until he is removed on the day of the same WRC-TV broadcast without having his name officially put forward by watt or Clark for Senate confirmation.

There is something wrong when several members of Congress including Les AuCoin, Clarence Long, Paul Simon, Tony Coelho, Dan Mica, Frank Wolf write directly to the Chief of Staff, James Baker, and to the President himself asking for an investigation and then Baker and White House Counsel Fred Fielding turn the matter over to the Special Counsel/MSPB who fails to stay the firing and investigate; closes the case, reopens it; finally investigates, closes it and reopens it again.

There is something wrong when Judge Clark under questioning by Senator Wendell Ford at his confirmation hearings in front of this same committee expresses his strong conviction that a civil servant should suffer no penalty past, present or future for doing his duty in disclosing wrongdoings, waste and mismanagement, and further that the IG has a duty to protect that individual. And then when informed directly of my situation one month later by Jack Lorenz, Executive Director of the Izaac Walton

League of America promises to investigate but actually does nothing but instead has the infamous Dick Hite write a letter to Jack Lorenz 3 months later thanking him for bringing the matter to the Judge's attention!

There is something wrong when, at Sidney Yates'Budget hearings on March 1 1984, I shook the Judge's hand, looked into his eyes and asked him directly to meet with me. He agreed, gave his word, told me to make an appointment. He dishonored his word, never met with me even after his counsel Richard Morris was provided detailed allegations and documentation in writing. There is something wrong when that same counsel, Richard Morris, later called me and with his voice dripping with honey asked if we could not meet outside of bureaucratic channels to discuss the situation. I refused indignantly and only heard from him once more when he told me by phone that the Judge couldn't care less about my case, as far as he was concerned justice had been done, I had my day in court, the verdict went against me and I should just give up. All of this 2 months BEFORE the Special Counsel/MSPB rendered his decision.

There is something wrong when coincidentally during the same first Reagan term while I was retaliated against for doing my duty, my wife, Francoise, was illegally deprived of the honor and privilege of serving her country at the Office of Personnel Management, across the street from Interior, for 21 months. This injustice still has not been corrected.

There is something wrong when my wife, Francoise, writes directly to the President to inform him of the grave problems at Interior and OPM and the President never answers but instead his counsel Fred Fielding turns the matters over to the Special Counsel/MSPB who sits on it for months, discriminates against her by subordinating her case to mine and treats her disparately; closes her case as he did mine, reopens, does a cursory investigation, and after more than a year delay renders a decision one week after the election, telling us both to go to hell in spite of overwhelming and compelling evidence in our favor.

There is something desperately wrong when the President issues a call for private sector initiative and volunteerism and then opposes our private sector initiatives. My wife Francoise and I, ardent hunters and conservationists responded to his call in an unprecedented manner; we establish ed a 30-year irrevocable testamentary trust which will provide millions of dollars for the benefit of the U.S. Fish and Wildlife Service. When faced with the realization that the Service only had annual gift authority and could not accept multi-year grants, bequests and donations of any kind, we responded by taking a second private sector initiative to correct the situation. Specifically, we caused legislation to be introduced in both chambers, which resulted in the National Fish and Wildlife Foundation Act. 60 members of Congress including 8 on this committee cosponsored this legislation in a forceful demonstration of bipartisan concern and support for wildlife conservation. Sena. Kennedy, Randolph, Mitchell, and Chafee, along with Cong. AuCoin, Breaux, Long, Conte, Schroeder, all specifically attested in the Congressional Record to the uniqueness of our efforts and to the fact that we alone were responsible for the idea, hard work, and initial funding for the Foundation. Cong. Schroeder went so far as to compare our achievement with that of James Smithson, founder of the Smithsonian Institution. It's a fact that we alone lobbied both the House and the Senate and shepperded the bills through Congress. It's also a fact that the Department of the Interior and Secretary Watt opposed the Foundation. Assistant Secretary Arnett and Secretary Clark even testified against it. Incredibly, the same President Ronald Reagan, who called for private sector initiatives termed the creation of the Foundation by Congress to be an "unwise and dangerous precedent" in his most unusual and highly negative signing statement. Although the Act was signed by the President on March 26, 1984, the implementation languished for months. Finally, when faced with contempt of Congress, Judge Clark appointed the Board of Directors which coincidentally met on the day after the inauguration and were provided with travel orders which allowed them to charge the Foundation for their trip to Washington on the inauguration week-end. There is something desperately wrong when the same Secretary, Judge Clark, and the Reagan administration who so strongly opposed the Foundation and sabotaged it for a year now takes full credit for its creation. There is something wrong when Judge Clark himself issues a press release on January 18, the day my father died and takes full credit for the establishment of the Foundation and never once mentioned our name and the role we played as the founders.

There is something wrong when Francoise, wishing to share her unique private sector initiative and accomplishment with her boss, Dr. Devine, Director of OPM (a feat never accomplished by any civil servant in the history of our country) entrusts into his care for his perusal one of only 3 autographed red line copies of the Act (one for each of our families and one to be presented to the Board of Directors of the Foundation as a historical document), and Dr. Devine "loses" it! There is something wrong when my wife and I present ourselves in Dr. Devine's office a week ago today to ask him directly what has happened to the red line copy of the Foundation and what are his feelings about it. Not only were we refused the opportunity to speak with him but my wife was reprised against by 2 of Devine's most senior political aides (Richard Lowe and Terry Culler) eventhough she went to Devine's office on her own time and on a private business.

As you can see, gentlemen, there is much that is desperately wrong at Interior as well as the White House, OPM, and the Special Counsel. This formal statement merely outlines the problems. I have brought with me voluminous documentation and am prepared to answer all of your questions and to discuss these problems in whatever detail you may wish. As we have lived through these extraordinary events during the course of the past several years, my wife and I have come to realize their importance and significance. These events are not isolated but rather interrelated. These problems need to be addressed and resolved. The mess must be cleaned up. It's said that we have the Government we deserve. It's easy to cut back programs and to destroy; what's hard is to make Government more efficient and effective. What's needed now is not a return to the failed policies of the past. Confirming Hodel would bring us full circle back to Watt.

My wife and I appeal to this Committee, the full Senate, the House as well as to President Ronald Reagan to demonstrate strong leadership; confront the problems and take action to ensure that this mess will never reoccur. If you think that what I have told you today is but an isolated horror story, I would suggest that you do the following: make abundantly clear to all civil servants that their protection in the event of disclosures is absolute and not mere hypocrisy and you will see first a trickle then a flood. But this will never occur as long as we have a Special Counsel of the MSPB who is specifically charged of protecting whistleblowers and who in a JUly 17, 1984 interview in the Washington Post offers this friendly advice to all civil servants:"Don't put your head up, because it will get blown-off." And incredibly, he goes on to keep his!!! And as long as we have a President who does not have the courage to fire those officials of his administration who are involved in unethical and illegal activities and appoints the likes of Watt, Clark, Hodel, Devine, O'Connor, etc...

We can do better; we must; let's all join together to make President Reagan's second administration all that the first was not so that we can all be as proud of our Federal Government as we are of our country.

The **Chairman**. Thank you very much. Does that complete your statement?

Mr. **Gianoutsos**. It does, Mr. Chairman. I'm available to answer any questions that you might have.

The **Chairman**. Thank you very much. As is obvious, you have presented something to us upon which we can't make any judgments, and I wouldn't attempt to make any judgments today. It may be beyond the competence of this committee to make a judgment in your individual case. But you have raised questions which certainly we will take a look at and perhaps have questions later.

Mr. **Gianoutsos**. I would hope so, Mr. Chairman.

The **Chairman**. Thank you.

Mr. **Gianoutsos**. I also would like to say, if you would permit me, that I am—I don't know what to say—I am very disappointed, of 20 members of this committee, that you are the only one here. I appreciate that you have an obligation as Chairman to be here. I am quite disappointed, of eight members of this committee who were cosponsors of this legislation, that albeit it is a Friday afternoon, and I know they would like to get home, I would think that maybe they could have stayed maybe to just ask a question or two.

The **Chairman**. Let me suggest, too, and I am certain other members of the witness panels today would have a similar observation, that they would like to have a larger group to hear their comments.

The record, of course, is open to all the members, and they and their staffs do look at the record, even though they are not personally present at the time of the hearing. But I suspect you know, and most of the other organizations represented by individual witnesses today are experienced enough in the process to know that if they really want members of the committee to be aware of what they have been talking about, they perhaps will aid their cause by individual contacts with individual members, and not depend solely upon members to read the record, and go further to seek further information based upon what they have read in the record, I would give that advice to you as well.

It is a Friday afternoon, and I regret that. I am one Member of the Congress who for a number of years have regretted the Tuesday-Thursday cycle upon which we in this body and the other body find ourselves. That is partly, I suppose, because I come from a Western State and unlike others who find it quite easy to commute to their home States or districts on a very short time schedule, we find the kind of schedule under which we operate very difficult. It means that we can leave town at noon on Friday, we can work in our State on Saturday, must return on Sunday in order to be here for Monday morning, or at best leave Monday morning and get in Monday night, which is about the same thing.

Mr. **Gianoutsos**. I appreciate that, Mr. Chairman. I just hope it is not a reflection of the lack of concern by the members of the committee on the serious—or what I at least think to be serious issues at Interior.

The CHAIRMAN. Without being able to comment about your specific case, because I obviously don't know enough about it to be able to comment, there are good people in any administration who have a political persuasion that is different from that of the current administration. There is a tendency on the part of new administrations to remove people who have been politically active, not necessarily because of their political persuasion, but because of their activity.

I know Secretary Andrus did that with quite a great deal of skill when he came into office at the beginning of the Carter administration. That's a familiar and sometimes perplexing dilemma of where do you draw the line.

Mr. GIANOUTSOS. But illegality is something else again.

The CHAIRMAN. I didn't take issue with Senator Bumpers when he makes statements about there should be no political litmus test for the selection of scientists to technical advisory boards, but scientists are not eunuchs. They have political views, and sometimes they have political activities, and I don't think Senator Bumpers as Governor of his State appointed to any of his advisory boards when he was Governor people who had been actively opposing him, even though they might have shared a different opinion.

Those are difficult balancing questions. Another difficult one is, where do you draw the line between the whistleblowers and that management discretion which is necessary to implement policies of an agency when adopted even though others may disagree.

I personally believe that it is dangerous to attempt to stifle whistleblowers.

Mr. GIANOUTSOS. Apparently not in this administration, Mr. Chairman. When one blows the whistle directly to the Secretary himself and then has, 5 days later, the recrimination of the request for an FBI investigation under the communist subversive 1954 Executive order, that in and of itself is prima facie evidence.

The CHAIRMAN. I have no idea what is behind that. I have your statement, and certainly I don't blame you for being concerned. You are personally involved. We should be concerned as well with respect to what it does to the integrity of the operation, and I am certainly equally concerned without having made any investigation of the allegations that you have made, without having any opinion at all as to what was right or wrong about the way it was handled.

But you are entirely within your rights in presenting this to the committee today, and I, like you, regret that there are not more here to hear you say it, but I suspect you will by one means or another get a little wider audience than the audience of one here this afternoon.

Mr. GIANOUTSOS. Yes, sir. I hope to. Thank you very much, Mr. Chairman. I appreciate your time.

The CHAIRMAN. Surely. I know of no other witnesses, and no other Senators who wish to ask any questions. Again, I would remind staff that we hope to have all written questions submitted by close of business today for submission to Mr. Hodel for response in writing by Monday.

That concludes this hearing. Thank you.

[Whereupon, at 2:30 p.m., the hearing was adjourned.]

APPENDIXES

APPENDIX I

BIOGRAPHY AND INFORMATIONAL STATEMENT OF DONALD PAUL HODEL

U.S. Department of Energy
Assistant Secretary for
Congressional, Intergovernmental
and Public Affairs
Office of Public Affairs
Washington, D.C. 20585
202/252-5644

BIOGRAPHY

DONALD PAUL HODEL

Don Hodel, the fourth Secretary of the U.S. Department of Energy, has held that office since November 5, 1982.

General Background

- Native of Portland, Oregon
- Harvard University, 1957, B.A. Government
- Oregon School of Law, 1960, J.D.
- Member of Oregon State Bar

Professional Background

- 1960 - 1969 Private and corporate law practice, Portland, Oregon
- 1969 - 1972 Deputy Administrator of the Bonneville Power Administration
- 1972 - 1977 Administrator of the Bonneville Power Administration
- 1978 - 1981 President, Hodel Associates, Inc., Energy Consulting Firm
- 1981 - 1982 Under Secretary, Department of the Interior

Present and Past Boards/Committees

- National Electric Reliability Council, President and Board of Trustees
- Alliance to Save Energy, Honorary Co-Chairman (Energy)
- Electric Power Research Institute, Board of Directors
- Western Systems Coordinating Council, Executive Committee
- U.S. National Committee of the World Energy Conference, Board of Directors
- World Energy Conference, Delegate to four of the last five conferences

Awards

- Department of the Interior's Outstanding Service Award (Energy Conservation)
- Distinguished Service Award, Northwest Public Power Association

UNITED STATES SENATE
COMMITTEE ON ENERGY AND NATURAL RESOURCES

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: HODEL (LAST) DONALD (FIRST) PAUL (OTHER)

Position to which nominated: SECRETARY OF THE INTERIOR **Date of nomination:** January 22, 1985

Date of birth: 23 (DAY) May (MONTH) 1935 (YEAR) **Place of birth:** Portland, Oregon

Marital status: Married **Full name of spouse:** Barbara Beecher (Stockman) Hodel

Name and ages of children: David B. Hodel (23)
Philip S. Hodel (Deceased)

Education:

Institution	Dates attended	Degrees received	Dates of degrees
U.S. Grant High School Portland, Oregon	9/49 - 6/53		
Harvard University	9/53 - 6/57	A.B.	June 1957
University of Oregon School of Law	9/57 - 6/60	J.D.	June 1960

Employment record: List below all positions held since college, including the title and description of job, name of employer, location, and dates.

Secretary of Energy, Washington, D.C. (11/5/82 to date).

Under Secretary of the Department of the Interior, Washington, D.C. (2/9/81 - 11/5/82).

Hodel Associates, Inc., 2825 Dellwood Dr., Lake Oswego, Oregon, which was engaged in the energy consulting business. President and a Director (1/1/78 - 2/5/81). I was the employee with the overall responsibility for rendering consulting services to the corporation's clients. I rendered no services to Hodel Associates, Inc. after January 14, 1981 and resigned as President and a Director on February 5, 1981, on which date the corporation began winding-up its affairs and liquidating pursuant to a Plan of Complete Liquidation adopted by the Board of Directors that date. The liquidation was completed by July 31, 1981, and the corporation was dissolved February 17, 1982.

Employment Record (continued)

Cascade Water Power Development Corporation, 1105 Commonwealth Bldg., Portland, Oregon, engaged in small hydro development in Oregon. President (1/12/81 - 1/27/81, at which time resignation was tendered by me and accepted).

National Electric Reliability Council, Research Park, Terhune Road, Princeton, N.J., a non-profit organization concerned with reliability of electric power systems. Secretary-Treasurer and Director (1972-77); President and Director (1978-80).

Bonneville Power Administration, 1002 N.E. Holladay St., Portland, Oregon, a Federal power marketing agency. Deputy Administrator (10/1/69 - 11/30/72); Administrator (12/1/72 - 12/31/77).

Georgia-Pacific Corporation, 900 S.W. Fifth Ave., Portland, Oregon. Attorney-Legal Department (11/11/63 - 9/30/69).

Rockwood, Davies, Biggs, Strayer & Stoel (now known as Stoel, Rives, Boley, Fraser & Wyse), 900 S.W. Fifth Avenue, Portland, Oregon. Associate attorney (8/60 - 11/63).

Huntington Rubber Mills, 7100 S.W. Macadam Ave., Portland, Oregon. Miscellaneous summer work (summers of 1957-63).

Employment record—Continued

Military service: Enter all military service if not included above: service, dates, rank, type of discharge.

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.

Department of the Interior Outstanding Service Award (gold medal) - conferred by Secretary Morton for energy conservation activities (March 1974).

Distinguished Service Award of Northwest Public Power Association (June 1975).

Honorary Membership - Northwest Public Power Association (June 1978).

Paul Patterson Memorial Fellowship (first recipient), University of Oregon Law School (1959).

National Scholarship - Harvard College (1953).

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Office held (if any)	Dates
Governor's Alternate Energy Development Commission - State of Oregon	Member	1979-80
Alliance to Save Energy Washington, D.C.	Honorary Co-Chairman (Energy)	1983-present
Electric Power Research Inst. Palo Alto, CA	Director	1973-77
Western System Coordinating Council	Director	1969-77
U.S. National Committee World Energy Conference	Exec. Comm. Director	1972-77 1979-81
Fowler-McCracken Commission Washington, D.C.	Government Co-Chmn. Energy Policy Comm.	1982-present

Memberships (continued)

Organization	Office	Dates
Federal City Council, Washington, D.C.	Trustee	1983-Present
Easter Seal Society of Oregon	Director	1967-70
Lutheran Family Service Portland, Oregon	Fund Drive Chairman	1978-81
Our Savior's Lutheran Church Lake Oswego, Oregon	Member	1975-82
McLean Presbyterian Church McLean, Virginia	Member	1982-Present
United Way (Tri-County Chapter), Portland, Oregon	Director, Exec. Comm.	1970-74
Delaunay Institute for Mental Health Portland, Oregon	Director	1967-71
Institute of Public Affairs Research, Inc., Portland, Oregon	Vice President; Director	Approx. 1972-77
Donro Enterprises (an Oregon Christmas tree farm)	Secretary; Director	Approx. 1962-65
Tridell Corporation (manufacturer of charcoal patio space heating units), Portland, Oregon	Secretary; Director	Approx. 1960-61
Oregon State Bar	Member	1960-Present
American Bar Association	Member	1964-79
Multnomah Bar Association	Member	1967-81
Federal Bar Association (Oregon)	Member	1970-78
Portland Federal Executive Board, Portland, Oregon	Member	1972-77
City Club of Portland	Member	1970-Present
Arlington Club, Portland, Oregon	Member	1978-82

Memberships (continued)

Organization	Office	Dates
Multnomah Athletic Club Portland, Oregon	Member	1950-Present
Harvard Club of Oregon Portland, Oregon	Vice President	Mid-1960's
Junior Achievement Fund Drive, Portland, Oregon	Member	1971-72
Oregon Law Review, University of Oregon Law School	Student Editor	1959-60
Pierian Sodality of 1808 (Harvard-Radcliffe Orchestra), Cambridge, Massachusetts	Member	1953-55
Portland Junior Symphony Portland, Oregon	Member	Approx. 1949-51
U.S. Grant High School Portland, Oregon	Student Body President	1953
Republican State Central Committee of Oregon	Chairman	1966-67
Clackamas County (Oregon) Republican Central Committee	Precinct Organizer Secretary Chairman	1963-64 1964-65 1965-66
Reagan for President Committee Portland, Oregon	Tri-County Chairman Steering Committee	1968 1980
Republican National Convention	Alternate Delegate (Oregon)	1968

Published writings:

List the titles, publishers and dates of any books, articles, or reports you have written.

"The Doctrine of Exemplary Damages in Oregon," 44 Oregon Law Review 175 (1965).

Student Case Note, 39 Oregon Law Review 199 (1960) [concerning extradiction under Uniform Reciprocal Enforcement of Support Act.]

Student Case Note, 38 Oregon Law Review 276 (1959) [concerning waiver of defenses by execution of renewal promissory notes]

Student Case Note, 38 Oregon Law Review 188 (1959) [concerning liability of seller's assignee for seller's breach of warranty]

"The Prophets of Shortage," a speech delivered to the City Club of Portland, Portland, Oregon (July 11, 1975), published in Utilities Fortnightly.

Various reports and documents prepared or supervised in official capacity as Secretary of Energy (11/5/82 - present), as Under Secretary of the Department of the Interior (2/9/81 - 11/5/82) and as Administrator, Bonneville Power Administration (12/1/72 - 12/31/77), including Congressional committee testimony, annual reports, environmental impact statements, budgets, and similar materials.

Qualifications: **State fully your qualifications to serve in the position to which you have been named. (attach sheet)** See attached Exhibit 1.

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

Connections with all prior employers have been severed. Interest in Hodel Associates, Inc. Profit Sharing Trust will continue, as indicated in attached SF 278.

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your current or any previous employer, business firm, association or organization.

No plans concerning future employment.

3. Has anybody made you a commitment to a job after you leave government?

No.

4. (a) If you have been appointed for a fixed term, do you expect to serve the full term?

Not applicable.

(b) If you have been appointed for an indefinite term, do you have any known limitations on your willingness or ability to serve for the foreseeable future?

No.

Potential conflicts of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

None.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

All investments presently owned by me and/or by my wife are listed in attached SF 278. None of such investments nor any obligations are believed to involve potential conflicts of interest. In view of my commitments set forth in attached Exhibit 3, no relationships are believed to involve potential conflicts of interest.

3. Describe any business relationship, dealing or financial transaction (other than taxpaying) which you have had during the last 10 years with the Federal Government, whether for yourself or relatives, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

See attached Exhibit 3.

4. List and describe any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or for the purpose of affecting the administration and execution of national law or public policy.

As Secretary of Energy (DOE), as Under Secretary of the Department of the Interior (DOI) and as Administrator of Bonneville Power Administration (BPA), I have had occasion to testify before Committees of the Congress and to confer with Members of Congress and/or their committee staffs concerning annual DOE, DOI or BPA appropriations and other legislation affecting DOE, DOI or BPA. As President of the National Electric Reliability Council, I testified on July 16, 1979 before the Subcommitee on Energy and Environment of the House Committee on Interior and Insular Affairs and on September 20, 1979 before the Subcommittee on Energy Research and Production of the House Committee on Science and Technology, both concerning national and regional power needs. There have not been other activities of the kinds described in this question.

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items.

See attached Exhibit 3.

6. Explain how you will comply with conflict of interest laws and regulations applicable to the position for which you have been nominated. Attach a statement from the appropriate agency official indicating what those laws and regulations are and how you will comply with them.

See attached Exhibit 3.

Financial statement:

1. **Attach a copy of your Executive Personnel Financial Disclosure Report (SF 278).**

   Attached hereto as Exhibit 2.

2. **List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, uncompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services and firm memberships or from former employers, clients, and customers. Amounts should be indicated by the categories established for reporting income on Form SF 278, Schedule A.**

   Hodel Associates, Inc. Profit Sharing Trust.

   See attached SF 278.

3. **Are any assets pledged? (Add schedule.)** Personal residence mortgaged to Citizens Savings Bank, Ithaca, N.Y., as assignee of American Home Funding, Inc. Vacant residential lot in Yachats, Oregon held for investment subject to a land sale contract with Richard C. and Ruth L. Schmunk (sellers), Springfield, OR., dated 3/18/80, and assignment and novation dated 1/28/82. Contract balance of $4226.30 scheduled to be paid 3/1/85.

4. **Are you currently a party to any legal action?**

   Yes. See attached Exhibit 4.

5. **Have you ever declared bankruptcy?**

   No.

6. **Have you filed a Federal income tax return for each of the last 10 years? If not, please explain.**

   Yes, except that I have not yet filed the Federal Income Tax Return for calendar year 1984.

7. **Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?**

   No.

AFFIDAVIT

Washington, D.C.) ss
DONALD PAUL HODEL , being duly sworn, hereby states that he/she has read and signed the foregoing Statement for Completion by Presidential Nominees including the Financial Statement and that the information provided therein is, to the best of his/her knowledge and belief, current, accurate, and complete.

Donald Paul Hodel

Subscribe and sworn before me this 24th day of January, 1985

Cheryl D. Arrington
Notary Public

My Commission Expires November 14, 1989

U.S. GOVERNMENT PRINTING OFFICE

DONALD PAUL HODEL

EXHIBIT 1

QUALIFICATIONS

Personal Data

2352 S. Queen Street
Arlington, Virginia

Married (28 years)

Born: May 23, 1935

Education

A.B. degree in Government, Harvard University (1957)
J.D. degree, University of Oregon Law School (1960)

Particularly Valuable Experiences

Secretary of Energy (11/5/82 to present).

Under Secretary of the Department of the Interior (2/9/82-11/5/82).

Bonneville Power Administration - Deputy Administrator (10/1/69-11/30/72); Administrator (12/1/72-12/31/77). [BPA is a Federal power marketing agency whose activities have major impact upon the Pacific Northwest. Responsibilities included managing 3,500 employees and participating actively in policy development.]

Hodel Associates, Inc. - President (1/1/78-2/5/81). [Hodel Associates, Inc. was an energy consulting firm whose business activities afforded me an opportunity to become better acquainted with a wide range of issues confronting government, the energy industry, and consumers.]

Practicing Attorney, first with a large law firm in Portland, Oregon (8/60-11/63), and then in the legal department of Georgia-Pacific Corporation (11/11/63-9/30/69).

National Electric Reliability Council - Secretary-Treasurer (1972-77); President and Director (1978-80). [N.E.R.C. is a non-profit organization composed of a broad spectrum of publicly and privately owned utilities, as well as Federal power marketing agencies, which primarily is concerned with reliability of electric power systems.]

Governor's Alternate Energy Development Commission of the State of Oregon - Member (1979-80). [The Commission was established primarily to assess the potential alternate energy development in the State of Oregon and the ways in which the State could encourage such development.]

EXHIBIT 1 (continued)

Electric Power Research Institute - Director (1973-77). [E.P.R.I. is a non-profit organization composed of numerous publicly and privately owned utilities, as well as Federal power marketing agencies and the Tennessee Valley Authority. As a director, I had the opportunity to participate in the development of policy regarding, and in the overall management of, the various research projects in which E.P.R.I. was engaged.]

U.S. National Committee, World Energy Conference - Director (1972-77, 1979-81). [As a Director, and as a United States delegate at the World Energy Conferences in 1971, 1974, 1977, and 1980, I have had the opportunity to become more fully informed of the energy opportunities, problems, and points of view of other nations.]

Particularly Significant Honors

Department of the Interior Outstanding Service Award (gold medal) conferred by Secretary Morton for energy conservation activities (March 1974).

Distinguished Service Award of Northwest Public Power Association (June 1975).

Honorary Membership - Northwest Public Power Association (June 1978).

FINANCIAL DISCLOSURE REPORT

Page 1

Reporting Status (Check Appropriate Box)

Incumbent ☒ New Entrant, Nominee, or Candidate ☐ Termination Report

NOTE: All schedules must be filled. Enter "None" in areas of across schedules where appropriate.

Agency Use Only — Date of Filing (Month, Day, Year): JAN 22 1985 ★ ETHICS OFFICE

OGE Use Only

Reporting Individual's Name	Last Name HODEL	First Name and Middle Initial DONALD PAUL	Date of Appointment, Candidacy, Election or Nomination (Mo., Day, Yr.)	Termination Date (If Applicable) (Month, Day, Year)
Position for Which Filing	Title of Position Secretary	Department or Agency (If Applicable) Department of the Interior	January, 1985	Not Applicable
Location of Present Office	Address (Number, Street, City, State and ZIP Code) Forrestal Building, 1000 Independence Avenue, S.W. Washington, D.C. 20585		Room Number 7A-257	Telephone No. (Include Area Code) (202) 252-6210
Presidential Nominees Subject to Senate Confirmation	Name of Congressional Committee Considering Nomination Senate Energy and Natural Resources Committee		Do You Intend to Create a Qualified Diversified Trust? ☐ Yes	☒ No
Position(s) Held With the Federal Government During the Preceding 12 Months (If Not Same as Above)	Title of Position(s) and Date(s) Held Secretary of Energy (November 5, 1982 to present)			
Certification I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.	Signature of Reporting Individual Donald Paul Hodel			Date (Month, Day, Year) 1/18/85
Agency Ethics Official's Opinion The information contained in this report discloses no conflict of interest under applicable laws and regulations.	Signature of Designated Agency Ethics Official/Reviewing Official Richard R. Hite	Richard R. Hite Designated Agency Ethics Official		Date (Month, Day, Year) JAN 23 1985
Office of Government Ethics Use Only ➤	Signature			Date (Month, Day, Year)

Comments of Reviewing Officials (If additional space is required, use the reverse side of this sheet)

(Check box if comments are continued on the reverse side) ☐

Prior Editions of SF 278 Is Usable

EXHIBIT 2

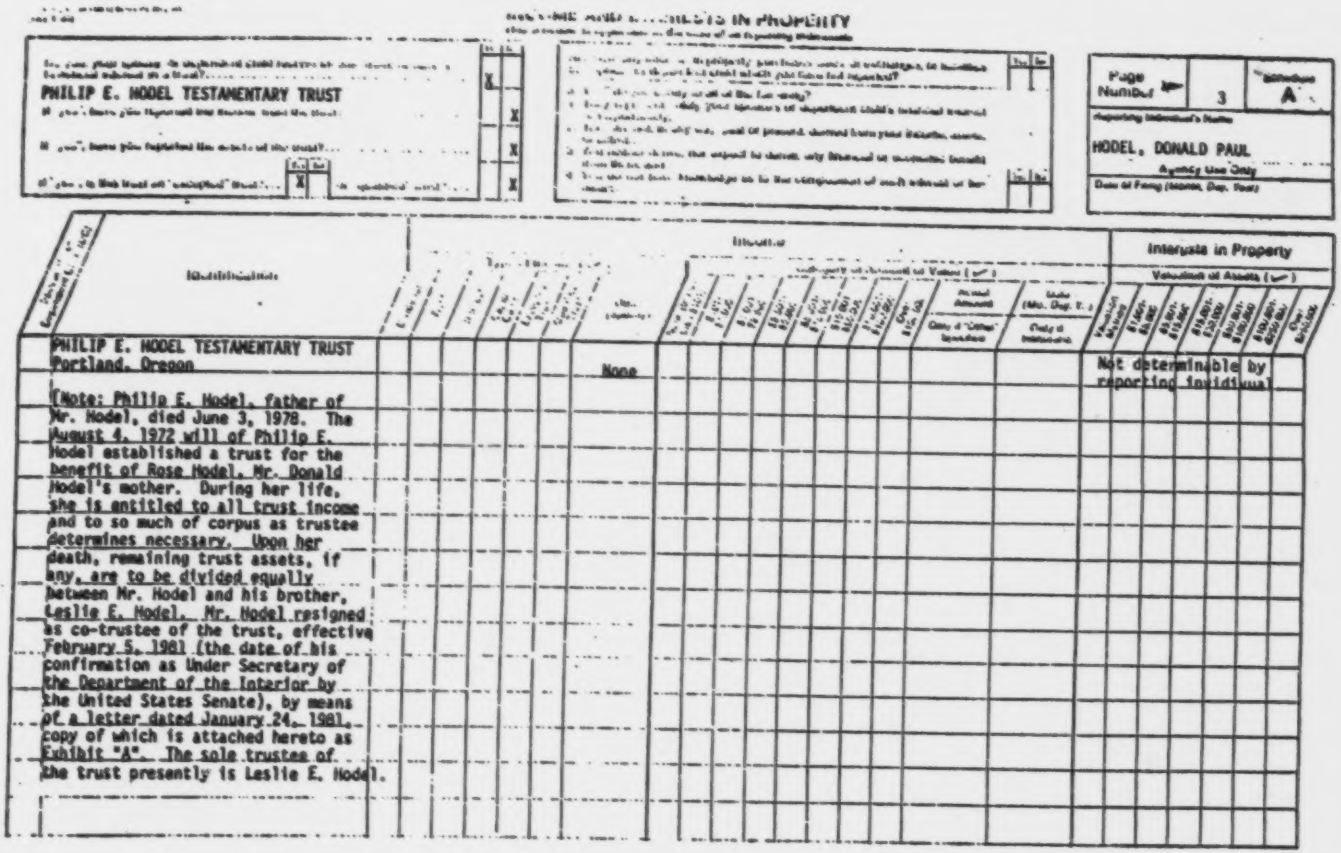
[illegible] IN PROPERTY

Hodel Associates, Inc. Profit Sharing Trust	X
[illegible]	X
[illegible]	X
[illegible] ☐ ☒ [illegible]	X

Page Number ► 2	Schedule A
Reporting Individual's Name HODEL, DONALD PAUL	
Agency Use Only Date of Filing (Month, Day, Year)	

	Identification	Income: Type of Income (✓): Dividends	Rent	Interest	Capital Gains	[illegible]	[illegible]	Other (Specify)	Category of Amount or Value (✓): [illegible]	[illegible]	$1,001-$2,500	$2,501-$5,000	[illegible]	[illegible]	[illegible]	[illegible]	Actual Amount / Only if Other Specified	Date (Mo., Day, Yr.) / Only if Honoraria	Interests in Property: Valuation of Assets (✓): Valuation Method	$1,001-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000
	HODEL ASSOCIATES, INC. PROFIT SHARING TRUST, Arlington, Va. [See Note, below]							None	X										H		X				
S	HODEL ASSOCIATES, INC. PROFIT SHARING TRUST, Arlington, Va.							None	X										H	X					
	[Note: The reportable interests in property held by this trust during 1984 and the reportable income of the trust during such year were																								
	DEAN WITTER WORLD WIDE INVESTMENT TRUST							None	X										H		X				
	None of the income of the trust was distributed to either Mr. or Mrs. Hodel in 1984. Their respective interests in the trust are shown in the "Valuation of Assets" column adjacent to the identification of their interests. Mrs. Hodel is sole trustee of the trust.																								

EXHIBIT 2



INCOME AND INTERESTS IN PROPERTY

PHILIP E. HODEL TESTAMENTARY TRUST

Page Number 3

Schedule A

Reporting Individual's Name

HODEL, DONALD PAUL

Agency Use Only

Date of Filing (Month, Day, Year)

Identification	Income	Interests in Property
PHILIP E. HODEL TESTAMENTARY TRUST Portland, Oregon	None	Not determinable by reporting individual
[Note: Philip E. Hodel, father of Mr. Hodel, died June 3, 1978. The August 4, 1972 will of Philip E. Hodel established a trust for the benefit of Rose Hodel, Mr. Donald Hodel's mother. During her life, she is entitled to all trust income and to so much of corpus as trustee determines necessary. Upon her death, remaining trust assets, if any, are to be divided equally between Mr. Hodel and his brother, Leslie E. Hodel. Mr. Hodel resigned as co-trustee of the trust, effective February 5, 1981 (the date of his confirmation as Under Secretary of the Department of the Interior by the United States Senate), by means of a letter dated January 24, 1981, copy of which is attached hereto as Exhibit "A". The sole trustee of the trust presently is Leslie E. Hodel.		

EXHIBIT 2

Page Number	4	Schedule A
Reporting Individual's Name HODEL, DONALD PAUL		
Agency Use Only Date of Filing (Month, Day, Year)		

Identification	Income																	Interests in Property						
	Type of Income (✓)							Category of Amount of Value (✓)										Valuation of Assets (✓)						
																Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	Valuation Method	$1,001-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000
[By reason of the agreements set forth in attached Exhibit "A", neither Mr. Hodel, his wife nor their dependent child has had knowledge, at any time after February 5, 1981, of the identity of assets held by, or any sources of income of, the Philip E. Hodel Testamentary Trust, or of the value of Trust assets, or of any transactions of the Trust occurring after such date. This trust, therefore, presently is an "excepted trust."																								
The trustee of this Trust has agreed to furnish the United States Senate, the Departments of Energy and of the Interior, and the Office of Government Ethics with such information concerning this Trust as they may request.]																								
BUCKHORN, INC. 250 shs. Series "A" conv. preferred stock and 113 shs. common stock	X								X									H	X					

EXHIBIT 2

[illegible]

[illegible]

Page Number	5
Schedule	A
Reporting Individual's Name	HODEL, DONALD PAUL
Agency Use Only	
Date of Filing (Month, Day, Year)	

[illegible]	Identification	Income																	Interests in Property						
		Type of Income (✓)							Category of Amount or Value (✓)										Valuation of Assets (✓)						
		[illegible]	Rent	[illegible]	[illegible]	[illegible]	[illegible]	Other (Specify)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	Valuation Method	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	DEAN WITTER/SEARS LIQUID ASSETS FUND, INC.	X											X						H			X			
	DEAN WITTER REYNOLDS, INC. IRA custodial account holding investments in Dean Witter/Sears Liquid Assets Fund ($2,059 as at 1/17/85) and Dean Witter World Wide Investment Trust ($3,772 as at 12/31/84).	X							X										H		X				
S	DEAN WITTER REYNOLDS, INC. IRA custodial account holding investment in Dean Witter/Sears Liquid Assets Fund ($1,040 as at 1/18/85).	X							X										H	X					
	SOVRAN BANK, formerly called VIRGINIA NATIONAL BANK Arlington, Virginia			X						X									H		X				
	Personal residence, Lake Oswego, Oregon. Owned jointly with spouse. Rented during January 1984. [Note: "Rent" income reflects gross rental		X							X									H	At date of sale				X	
	income without deduction of expenses.] Contract of sale closed 2/2/84.				X										X										

EXHIBIT 2

[illegible]

Page Number	6
Schedule	A
Reporting Individual's Name	HODEL, DONALD PAUL
Agency Use Only	
Date of Filing (Month, Day, Year)	

		Income																		Interests in Property					
		Type of Income (✓)							Category of Amount or Value (✓)											Valuation of Assets (✓)					
Spouse (S) or Dependent Child (DC)	Identification	Dividends	Rent	Interest	Capital Gains	Excepted Trust	Qualified Blind Trust	Other (Specify)	None (or less than $101)	$101-$1,000	$1,001-$2,500	$2,501-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	Over $100,000	Actual Amount (Only if "Other" Specified)	Date (Mo., Day, Yr.) (Only if Honoraria)	Valuation Method	$1,001-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000
	Unimproved lot for single-family residence, Lake Havasu City, Arizona. Owned jointly with spouse. Purchased in 1969.							None	X										A/C		X				
	Unimproved residential lot, Yachats, Oregon. Purchased jointly with spouse pursuant to assignment and assumption of land sale contract in 1982.							None	X										A			X			
	GARIBALDI MANAGEMENT COMPANY (Garibaldi, Oregon marina, moorage and recreational vehicle park known as Old Mill Marina) one percent limited partnership interest. Purchased in 1980. The limited partnership has not furnished financial statements for 1984. Based on prior years' experience, reporting individual estimates there will be no income.								X										A/C			X			

EXHIBIT 2

SF 278 - Financial Disclosure Report
(Rev [illegible])

PURCHASES, SALES, AND EXCHANGES

This schedule is applicable only in the case of annual and termination reports.

Page Number ➡ 7	Schedule B
Reporting Individual's Name HODEL, DONALD PAUL	
Agency Use Only	
Date of Filing (Month, Day, Year)	

Report Applicable Transactions, Even If Also Reported on Schedule A

S or DC	Identification of Property (real and personal)	Type of Transaction			Date (Month, Day, Year)		Category of Amount or Value (✓)					
		Purchase	Sale	Exchange	Purchase	Sale or Exchange	$1,001 to $5,000	$5,001 to $15,000	$15,001 to $50,000	$50,001 to $100,000	$100,001 to $250,000	Over $250,000
	NOT APPLICABLE											
	Reporting individual is a nominee.											

EXHIBIT 2

[illegible] Report
(Rev. [illegible])

GIFTS AND REIMBURSEMENTS

This schedule is applicable only in the case of annual and termination reports.

Page Number ▶ 8	Schedule C
Reporting Individual's Name HODEL, DONALD PAUL	
Agency Use Only	
Date of Filing (Month, Day, Year)	

NOT APPLICABLE

Reporting individual is a nominee.

I. Lodging, Transportation, Food and Entertainment—*List each source totaling $250 or more in value*

S or DC	Source (Name and Address)	Brief Description	Value

II—All Other Gifts—*List each source totaling $100 or more in value*

S or DC	Source (Name and Address)	Brief Description	Value

III. Reimbursements—*List each source totaling $250 or more in value*

S	Source (Name and Address)	Brief Description	Value

EXHIBIT 2

HODEL, DONALD PAUL		Page Number	9	D

LIABILITIES

S DC							
	Pacific First Federal Savings and Loan Assn. (now called Benj. Franklin Federal Savings & Loan Assn.) Portland, Oregon	Purchase money promissory note and mortgage assumed in connection with August 27, 1968 purchase of dwelling and land located at 2825 Dellwood Drive, Lake Oswego, Oregon. The indebtedness assumed was in the amount of $24,317 and bore interest at the rate of approximately 5-3/4% per annum. The unpaid balance of this liability in the amount of $10,252, was paid in full upon consummation of sale of the property on February 2, 1984.	X				

POSITIONS HELD

- U.S. Department of Energy, Washington, D.C.	U.S. Government	Secretary of Energy	11/82	Present
- Alliance to Save Energy, Washington, D.C.	Non-profit: promotion of energy conservation.	Honorary Co-Chairman (Energy)	3/83	Present
- Fowler-McCracken Commission, Washington, D.C.	Non-profit: public policy concerning international economic affairs.	Government Co-Chairman Energy Policy Committee	2/83	Present

COMPENSATION IN EXCESS OF

NONE except federal salary.	

RELATIONS WITH OTHER EMPLOYERS

Informal agreement with Hodel Associates, Inc., of which reporting individual formerly was president and co-owner, not to terminate Hodel Associates, Inc. Profit Sharing Trust, so that reporting individual and spouse may remain beneficiaries of such trust. As a consequence, vested account in profit sharing trust will not be terminated. On January 28, 1982, the Board of Directors of Hodel Associates, Inc., consisting of the spouse of reporting individual, adopted resolutions which terminated the profit sharing plan, but continued the existence of the profit sharing trust.	Hodel Associates, Inc.; Donald Paul Hodel and Barbara S. Hodel	Feb. 5, 1981 and Jan. 28, 1982

EXHIBIT 2

[illegible]

LIABILITIES

This schedule, except as noted for the third section, is applicable in the case of all reporting individuals.

Reporting Individual's Name: HODEL, DONALD PAUL

Agency Use Only
Date of Filing (Month, Day, Year)

Page Number 10

Schedule D

S, J, or DC	Name and Address of Creditor	Type of Liability (e.g., promissory note, margin account) Give date, interest rate and, if applicable, term	$10,001 to $15,000	$15,001 to $50,000	$50,001 to $100,000	$100,001 to $250,000	Over $250,000
	Elizabeth F. Woods Jean M. Woods Both c/o Theodore K. Woods, Jr. ?104 South Pierce Arlington, Virginia	As part of a single transaction, separate $8,500 unsecured promissory notes, dated 10/4/83, bearing 12% interest per annum were issued to each of the named creditors. Both notes were payable out of proceeds of sale of reporting individual's Lake Oswego, Oregon residence and were paid in full in February 1984.		X			

POSITIONS HELD

Name and Address of Organization	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
- Federal City Council, Washington, D.C.	Advisory Committee to promote community development projects.	Federal Trustee	8/83	Present

COMPENSATION IN EXCESS OF $5,000 PAID BY ONE SOURCE This section is applicable only in the case of nominees and new entrants.

Source (Name and Address)	Brief Description of Duties

RELATIONS WITH OTHER EMPLOYERS

Description of Terms of Any Agreement or Arrangement	Parties	Date (Mo., Day, Yr.)

EXHIBIT "A"

January 24, 1981

Mr. Leslie E. Hodel
2240 S. W. Sunset Boulevard
Portland, Oregon 97201

Re: Philip E. Hodel Testamentary Trust

Dear Les:

As you know, I will be nominated as Under Secretary of the Interior. The appointment will not become effective until confirmation by the United States Senate. To avoid any actual or potential conflict of interest, or even the appearance of conflict of interest, it will be necessary for me to resign as Co-Trustee of the Testamentary Trust established by Dad's Will. Accordingly, this letter constitutes my resignation, to be effective concurrently with Senate confirmation of my appointment as Under Secretary, as Co-Trustee of the trust established under the Last Will and Testament of Philip E. Hodel, dated August 4, 1972 (the "Trust").

Immediately upon the effective date of my resignation as Co-Trustee, please take such steps as may be necessary to change the name in which all assets of the Trust are held and/or the name in which any account is maintained in behalf of the Trust.

Article VI, paragraph "B" of the Will provides that, upon Mother's death, the Trust shall terminate and the remaining Trust assets, if any, shall be distributed free of Trust equally to you and to me. Prior to her death, I have no right to receive any income or corpus of the Trust. Except as set forth below, it is absolutely essential that you agree that, during the entire period of my tenure as Under Secretary, you will refrain from directly or indirectly furnishing me, my wife Barbara, or my son David with any knowledge or information as to any of the Trust holdings, or any of the sources of Mother's income from the Trust, or any transactions of the Trust. In the event of Mother's death during my tenure of office, you are not to distribute to me any portion of the assets of the Trust nor furnish me with any information concerning Trust assets without further, written instructions from me as to the distribution of those assets, the holding of which by me may be prohibited. At my request, you are to furnish Government agencies with a listing of assets of the Trust.

Mr. Leslie E. Hodel
Page Two
January 24, 1981

The applicable federal conflicts of interest statutes and regulations apparently have been interpreted by the Government to prohibit my continued holding of a fifty percent remainderman's interest in the Trust if the Trust owns certain types of securities or other property, specifically securities of companies engaged in "underground or surface coal mining operations." You will receive a letter from the Deputy Department Ethics Counselor of the Department of Interior, who will inform you of the holdings of the Trust which are prohibited. You have agreed that, upon receiving such information, you immediately will sell all such securities. Mother has informed me of her consent to the sale. Please furnish me with written evidence of the sale, such as broker's confirmations or otherwise.

You also have agreed that, during the entire period of my tenure as Under Secretary, you will not permit the Trust to acquire any holdings in the securities or properties of companies engaged in underground or surface coal mining operations and that, when making purchases in behalf of the Trust, you will obtain the specific representation of the Trust's stockbroker that the subject investment will not fall within such category. Moreover, you have agreed that, if you should be informed at any future time during my tenure, that the Trust holds securities of a company which, subsequent to today, becomes involved in underground or surface coal mining operations, you will cause the Trust immediately to dispose of such securities.

I greatly regret having to resign as Co-Trustee because it leaves you with the sole burden of managing the Trust assets for Mother, and I certainly would have preferred not to ask you to dispose of Trust assets on my account. However, I have no alternative in the circumstances. Please sign and return to me promptly the enclosed duplicate copy of this letter whereby you acknowledge my resignation as of the date described above and agree to abide by my instructions as set forth herein.

Sincerely,

Donald Paul Hodel

Donald Paul Hodel

The undersigned acknowledges the resignation of Donald Paul Hodel as Co-Trustee of the Trust established under the

Last Will and Testament of Philip E. Hodel, effective as of the date of confirmation of Donald Paul Hodel as Under Secretary of the Interior. The undersigned hereby agrees to abide by the instructions and agreements set forth in the foregoing letter.

Dated this 24th day of January, 1981.

Leslie E. Hodel
Leslie E. Hodel
Co-Trustee

Enclosure

cc: Mrs. Rose Hodel

DONALD PAUL HODEL

EXHIBIT 3

POTENTIAL CONFLICTS OF INTEREST AND THEIR RESOLUTION

Investments

SF 278 describes investments owned personally by me, by my wife, and by the Hodel Associates, Inc. Profit Sharing Trust. None of these investments are believed by me to pose the risk of an actual or potential conflict of interest, or even the appearance of a conflict of interest, with my official duties as Secretary of the Interior.

SF 278 refers to a testamentary Trust established under the August 4, 1972 will of my father, Philip E. Hodel, who died June 3, 1978. The Trust beneficiary is Rose Hodel, my mother. During her life, she is entitled to all Trust income and to so much of the corpus as the trustee determines necessary. Upon her death, the remaining Trust assets, if any, are to be divided equally between my brother, Leslie E. Hodel, and myself. I am informed that the Trust is being regarded as an "Excepted Trust" from and after February 5, 1981. In conformance with a January 24, 1981 letter agreement between my brother, who is trustee of the Trust, and me, a copy of which is attached to SF 278, and a supplemental letter agreement between him and me dated November 19, 1982, attached hereto as Exhibit 3-A, I have received no information of any kind since February 5, 1981 concerning the assets, income, or transactions of the Trust. Attached hereto as Exhibit 3-B is a true copy of a January 22, 1985 letter agreement between the trustee and me, wherein we agree that, during my tenure as Secretary of the Interior, no such information in regard to the Trust will be furnished to me, but that the trustee, upon specific request, will provide information concerning the Trust to the Senate, to the Department of the Interior Ethics Counselor, and/or to the Office of Government Ethics. In the circumstances, the Trust's investments would not pose the risk of an actual or potential conflict of interest, or even the appearance of a conflict of interest, with my official duties as Secretary of the Interior.

It is my intention, during my tenure as Secretary, not to acquire directly or through the Hodel Associates, Inc. Profit Sharing Trust financial interests known to me to involve actual or potential conflict of interest, or even the appearance of conflict of interst, with my official duties as Secretary of the Interior.

Relationships

Attached hereto as Exhibit 3-C is a copy of a January 23, 1985 letter from the Designated Agency Ethics Official of the Department of the Interior to the Director of the Office of Government Ethics. After having reviewed the attached SF 278, the Designated Agency Ethics Official has certified that "the information contained in this report discloses no conflict of interest under applicable laws and regulations."

EXHIBIT 3 (Continued)

I do not believe any of my present or prior relationships pose the risk of an actual or potential conflict of interest, or even the appearance of a conflict of interest, with my official duties as Secretary of the Interior. However, since I currently am, and presently anticipate remaining, one of the Federal Trustees of the Federal City Council, and since, I am advised, the Council periodically has dealings or other involvement with the National Park Service, I shall refrain from any personal participation in my role as Federal Trustee of the Council if and when there comes before the Council an issue involving negotiation by the Council with, or appearances by the Council before, the Department of the Interior, including the National Park Service.

In the event the Department of the Interior's Designated Ethics Official informs me that any of my then-present or prior relationships create an actual or potential conflict of interest with my duties as Secretary of the Interior, or even the appearance of a conflict of interest with such duties, or in the event I draw such conclusion myself, I shall consult with the Department's Designated Ethics Official and, in light thereof, then shall take such remedial steps as may be required by applicable statutes or regulations or such additional actions as otherwise appear to me to be appropriate in the cicumstances.

Exhibit 3-A

2240 South West Sunset Blvd.
Portland, Oregon 97201

November 19, 1982

Honorable Donald Paul Hodel
Secretary of Energy
Washington, D. C. 20585

Re: Philip E. Hodel Testamentary Trust

Dear Don:

This letter will confirm the agreement I made with you on November 5, 1982, which is intended to update the agreement set forth in your January 24, 1981 letter to me, upon which I noted my agreement on January 24, 1981. We both recognize that such letter was written in connection with your appointment as Under Secretary of the Department of the Interior and that, although we have continued to adhere strictly to the requirements of such letter to this date, it probably is worthwhile to memorialize our agreements which will apply to the Philip E. Hodel Testamentary Trust during your tenure as Secretary of Energy.

During the entire period of your tenure as Secretary of Energy, I will refrain directly or indirectly from furnishing you, your wife Barbara, or son David with any knowledge or information as to any of the Trust holdings, or of any of the sources of mother's income from the Trust, or any transactions of the Trust.

Prior to mother's death, you have no right to receive any income or corpus of the Trust. In the event of mother's death during your tenure as Secretary of Energy, I shall not distribute to you any portion of any assets of the Trust or furnish you with any information concerning Trust assets or income without further written instruction from you as to the applicable requirements of federal law and regulations.

Honorable Donald Paul Hodel
Page Two
November 19, 1982

It is my understanding that the Trust is being regarded as an "Excepted Trust" from and after February 5, 1981, and that, therefore, it will not be necessary for me to furnish appropriate ethics officials with information concerning the holdings, income or transactions of the Trust. Nevertheless, I am perfectly agreeable to furnishing any such information to the United States Senate, the Department of Energy, and/or the Office of Government Ethics upon its or their specific request.

Sincerely yours,

Leslie E Hodel

Leslie E. Hodel
Trustee
Philip E. Hodel Testamentary Trust

I hereby agree to abide by the instructions and arrangements set forth in the foregoing letter.

Dated this 23d day of November, 1982.

Donald Paul Hodel
Donald Paul Hodel

cc: Mrs. Rose Hodel

EXHIBIT 3-B

2240 South West Sunset Blvd.
Portland, Oregon 97201

January 22, 1985

Honorable Donald Paul Hodel
Secretary of Energy
Washington, D. C. 20585

Re: Philip E. Hodel Testamentary Trust

Dear Don:

This letter will confirm the agreement I made with you today, which is intended to update the agreement set forth in your January 24, 1981 letter to me, upon which I noted my agreement on January 24, 1981. We both recognize that such letter was written in connection with your appointment as Under Secretary of the Department of the Interior and that, although we have continued to adhere strictly to the requirements of such letter to this date, it probably is worthwhile to memorialize our agreements which will apply to the Philip E. Hodel Testamentary Trust during your tenure as Secretary of the Interior.

During the entire period of your tenure as Secretary of the Interior, I will refrain directly or indirectly from furnishing you, your wife Barbara, or son David with any knowledge or information as to any of the Trust holdings, or of any of the sources of mother's income from the Trust, or any transactions of the Trust.

Prior to mother's death, you have no right to receive any income or corpus of the Trust. In the event of mother's death during your tenure as Secretary of the Interior, I shall not distribute to you any portion of any assets of the Trust or furnish you with any information concerning Trust assets or income without further written instruction from you as to the applicable requirements of federal law and regulations.

It is my understanding that the Trust is being regarded as an "Excepted Trust" from and after February 5, 1981, and that, therefore, it will

Honorable Donald Paul Hodel
Page Two
January 22, 1985

not be necessary for me to furnish appropriate ethics officials with information concerning the holdings, income or transactions of the Trust. Nevertheless, I am perfectly agreeable to furnishing any such information to the United States Senate, the Department of the Interior, and/or the Office of Government Ethics upon its or their specific request.

Sincerely yours,

Leslie E. Hodel

Leslie E. Hodel
Trustee
Philip E. Hodel Testamentary Trust

I hereby agree to abide by the instructions and arrangements set forth in the foregoing letter.

Dated this 24th day of January, 1985.

Donald Paul Hodel
Donald Paul Hodel

cc: Mrs. Rose Hodel

EXHIBIT 3-C

United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

January 23, 1985

Mr. David H. Martin
Director, Office of Government Ethics
Office of Personnel Management
P.O. Box 14108
Washington D.C. 20044

Dear Mr. Martin:

The enclosed financial disclosure report filed by Mr. Donald Paul Hodel for the position of Secretary of the Interior has been reviewed in compliance with 5 CFR §734.604(a). In addition to the Government-wide conflict of interest prohibitions in 18 U.S.C. §§201-209, the Secretary of the Interior is also subject to several prohibitions that apply only to employees in our Department. These additional prohibitions are 18 U.S.C. §437; 30 U.S.C. §6; 30 U.S.C. §1211(f); 43 U.S.C. §11 and 43 U.S.C. §31a. Except for 30 U.S.C. §1211(f), the provisions of each of these statutes is extended to the Secretary of the Interior by Department regulations. The provisions of 30 U.S.C. §1211(f) however, do apply to all Federal employees, such as the Secretary of the Interior, who perform functions under the Surface Mining Control and Reclamation Act of 1977.

I have compared each reported interest to the provisions cited and I have determined that the information contained in this report discloses no conflict of interest under applicable laws and regulations.

The Dean Witter Worldwide Investment Fund is a diversified mutual fund. The Dean Witter/Sears Liquid Asset Fund is a money market fund. Mr. Hodel does not personally manage the reported investments in these funds and financial interests in diversified mutual funds and in money market funds are not prohibited investments under the applicable laws and regulations. Also, Buckhorn, Inc., has no known business arrangements with the Department of the Interior and the company operations are not regulated by the Department of the Interior.

My review also revealed that Mr. Hodel's real property interests are not in close proximity to Federal lands administered by the Department of the Interior and do not otherwise relate to the duties of the Secretary of the Interior.

I have determined that Mr. Hodel's associations with the Alliance to Save Energy, the Fowler-McCracken Commission and the Federal City Council are in compliance with applicable laws and regulations. Specifically, the Alliance to Save Energy and the Fowler-McCraken Commission do not have interests in any particular matters involving the Department of the Interior. The Federal City Council has conducted and continues to conduct business with the National Park Service on activities such as overall studies for the improvement of waterfronts in the Washington, D.C. area. Currently, the Council is promoting the idea of an international trade center which, if developed, would be proposed to be located on Federal land currently managed by the National Park Service.

EXHIBIT 3-C

Mr. Hodel does not have a financial interest in the Federal City Council and the Council has not sought nor do we anticipate that it will seek any funding or other program assistance from the National Park Service. Further, the National Park Service has not provided any direct or indirect financial or program assistance to the Council. Consequently, Mr. Hodel's participation as Secretary of the Interior, in matters in which the Council has an interest, would not violate the provisions of 18 U.S.C. §208.

The Secretary of the Interior has traditionally delegated the authority to work with organizations like the Council to the Director of the National Park Service, who in turn, has redelegated the authority to the Regional Director, National Capital Region. Since the Council and the National Park Service have always worked together on shared initiatives, it has not been necessary, nor do we anticipate, that the Secretary of the Interior would be involved in this Park Service work on a routine basis. Mr. Hodel however, has agreed to refrain from any personal participation in his role as a Federal trustee to the Council, when the issue involves negotiations with or appearances before the Department of the Interior. Under the circumstances, I find no reason for Mr. Hodel to recuse himself as Secretary from any matters which the Council may be working on with the Department of the Interior.

My certification is based on this analysis. Please call me at 343-6182 or my Deputy Gabe Paone at 343-5916 should you have any questions.

Sincerely,

(sgd) Richard R. Hite

Richard R. Hite
Designated Agency Ethics Official
and Principal Deputy Assistant Secretary
Policy, Budget and Administration

Enclosure

cc:
✓Mr. Hodel
Mr. Pearlman

EXHIBIT 4

LITIGATION

1. By reason of my service as Administrator of the Bonneville Power Administration (12/1/72 - 12/31/77), as the Under Secretary of the Department of the Interior (2/9/81 - 11/5/82), and as Secretary of Energy (11/5/82 - present), I have been named a party to various civil actions. By reason of Rule 25(d)(1), Federal Rules of Civil Procedure, I no longer am deemed a party to federal civil actions which named me only in my official capacities as Administrator of the Bonneville Power Administration or as the Under Secretary of the Department of the Interior.

2. I have asked the Solicitor of the Department of the Interior and the General Counsel of the Department of Energy to make appropriate inquiry to determine whether, based on information in their possession, there exist any civil actions involving claims against me in my individual capacity. Based on their respective inquiries, and to my best knowledge, Paragraphs 3 and 4 hereof identify the only actions which have involved me in my individual capacity.

3. The Solicitor of the Department of the Interior has advised that, based on his inquiry, no cases presently are pending which have named me a party in my individual capacity. I originally was named as one of the defendants in my former, official capacity as the Under Secretary of the Department of the Interior and individually in the case of Jackson Hole Alliance for Responsible Planning v. Watt, Civil Action No. C82-0409 (D. Wyo.), filed October 8, 1982. That action seeks damages, injunctive relief and the setting aside of a permit to drill for oil and gas in the proposed Gros Ventre Wilderness in Wyoming. Pursuant to 28 C.F.R. 50.15 (2), I requested the Department of Justice to represent me in my individual capacity inasmuch as I acted within the scope of my employment as Under Secretary of the Department of the Interior in all undertakings pertinent to that action. I am informed that, on September 8, 1983, the claims against me in my individual capacity were dismissed.

4. The General Counsel of the Department of Energy has advised that, based on his inquiry (which assumes that unless the action specifically stated it was brought against me in my individual capacity, it has been deemed to have been brought against me in my official capacity as Secretary of Energy), the following are the only cases in which I have been sued in my individual capacity:

> RJG Cab Inc. v. Hodel, Civil Action No. 83-3265 (E.D. Pa.), filed July 8, 1983. I was sued in my individual and official capacities, but, I am informed, the complaint appears not to contain any allegations directed against me in my individual capacity. This class action seeks a declaration that Section 155 of the Further Continuing Appropriations Act of 1983, Pub. L. 97-377, violates the Fifth Amendment. Plaintiffs seek to have sums collected from petroleum overcharges which were disbursed to the Governors of the states and territories pursuant to Section 155 replaced by $200,000,000 "of Treasury escrow funds" and to have DOE institute proceedings so that the

EXHIBIT 4 (continued)

Litigation

plaintiffs and others may establish their right to such monies. There is no indication in Department of Energy records that I ever was personally served. A request is being made to the Department of Justice that it represent me in this action inasmuch as any acts by me pertinent to this litigation were in my official capacity as Secretary of Energy.

DeVargas v. Mason-Hanger Silas Mason Co., Civil Action No. 83-1674-HB (D. N.Mex.), filed December 19, 1983, amended August 16, 1984. I was sued in the amended complaint in my individual and official capacities. The action involves allegations of discrimination under the Rehabilitation Act of 1973 and deprivation of constitutional rights, and seeks compensatory damages of $200,000 and punitive damages of $200,000. Plaintiff applied for a security inspector position at a facility of a DOE subcontractor and was denied employment because he had sight in one eye only. The Department of Justice is representing me in my individual capacity. There is no indication in Department of Energy records that I ever was personally served.

5. The General Counsel of the Department of Energy has advised that, based on his inquiry, I have been named a party in my official capacity as Secretary of Energy to approximately 100 civil actions. By reason of Rule 25(d)(1), Federal Rules of Civil Procedure, upon my resigning as Secretary of Energy, I no longer will be deemed a party to federal civil actions which named me a party only in my official capacity as Secretary of Energy.

6. By reason of Rule 25(d)(1), Federal Rules of Civil Procedure, upon my becoming Secretary of the Interior, I will be substituted as a party in those federal civil actions where my predecessor(s) as Secretary of the Interior had been named as a party in his (their) official capacity.

United States of America
Office of
Government Ethics

Office of Personnel Management
Washington, D.C. 20415

JAN 29 1985

Honorable James A. McClure
Chairman, Committee on Energy
and Natural Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Donald P. Hodel, who has been nominated by President Reagan for the position of Secretary of the Department of the Interior.

We have reviewed the report and have also obtained advice from the Department of the Interior concerning any possible conflict in light of the Department's functions and the nominee's proposed duties. I enclose a copy of the Department's letter to this Office, dated January 23, 1985, which sets forth the basis for its conclusion that Mr. Hodel's financial disclosure report reveals no conflicts of interest.

Based on the foregoing, we believe that Mr. Hodel is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

David H Martin
David H. Martin
Director

Enclosures

THE SECRETARY OF ENERGY
WASHINGTON, D.C. 20585

January 31, 1985

The Honorable James A. McClure
Chairman
Committee on Energy and
Natural Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Pursuant to Section 201(b) of the Ethics in Government Act of 1978, as amended, I hereby certify and report that the information required by Section 202(a)(1)(A) with respect to income and honoraria, as set forth in my Financial Disclosure Report (SF 278) dated January 18, 1985, is current as of January 31, 1985. I further certify that I have transmitted copies of this report to the Designated Agency Ethics Official of the Department of the Interior and to the Office of Government Ethics.

Donald Paul Hodel
DONALD PAUL HODEL

Washington)ss
District of Columbia)

Subscribed and sworn to me before this 31st day of January, 1985.

Chiquita R. Vines
Notary Public

My commission expires: 7/31/89

cc: The Honorable J. Bennett Johnston

THE SECRETARY OF ENERGY
WASHINGTON, D.C. 20585

January 31, 1985

Mr. David H. Martin
Director, Office of Government Ethics
Office of Personnel Management
P. O. Box 14108
Washington, D.C. 20044

Dear Mr. Martin:

Pursuant to Section 201(b) of the Ethics in Government Act of 1978, as amended, and the applicable regulations thereunder, I hereby deliver to you a true copy of my certification and report to the Senate Committee on Energy and Natural Resources, dated today, which makes current as of this date the information contained in my Financial Disclosure Report (SF 278) dated January 18, 1985 with respect to income and honoraria as required by Section 202(a)(1)(A) of that Act.

Sincerely,

Donald Paul Hodel

DONALD PAUL HODEL

Attachment

THE SECRETARY OF ENERGY
WASHINGTON, D.C. 20585

January 31, 1985

Mr. Richard R. Hite
Designated Agency Ethics Official
and Principal Deputy Assistant Secretary
for Policy, Budget and Administration
Department of the Interior
Interior Building
18th and C Streets, N.W.
Washington, D.C. 20240

Dear Mr. Hite:

Pursuant to Section 201(b) of the Ethics in Government Act of 1978, as amended, and the applicable regulations thereunder, I hereby deliver to you a true copy of my certification and report to the Senate Committee on Energy and Natural Resources, dated today, which makes current as of this date the information contained in my Financial Disclosure Report (SF 278) dated January 18, 1985 with respect to income and honoraria as required by Section 202(a)(1)(A) of that Act.

Sincerely,

Donald Paul Hodel

DONALD PAUL HODEL

Attachment

Appendix II

Responses to Additional Questions

Department of Energy
Washington, D.C. 20585

February 4, 1985

Gary Ellsworth, Esquire
Chief Counsel
Committee on Energy and Natural Resources
United States Senate
Washington, DC 20510

Dear Mr. Ellsworth:

We herewith deliver to you Secretary Hodel's responses for the record to the written questions from various Senators in connection with his confirmation as Secretary of the Interior.

Enclosed are:

Original	1
Copy for each Committee Member	20
Copies for Minority Staff	5
Copy for Senator DeConcini	1
Total	32

We assume that you will make delivery of all copies, including the copy to Senator DeConcini, who is not a member of the Committee.

Sincerely,

Donald H. Pearlman
Executive Assistant to the Secretary

RESPONSE TO QUESTIONS FROM SENATOR McCLURE

1. Will you assure the Committee that before the Administration takes any action to effect any organizational change, either internally within Interior, or by transferring programs, functions, or responsibilities either into or out of the Department of the Interior, there will be full and prior consultation with the Committee?

   Answer: This Committee has my assurance that any organizational proposal to move programs, functions or responsibilities out of or into the Department of the Interior, as well as any proposal for change of the Department's internal organizational structure which is not vested clearly in the authority of the Secretary, will be brought to the attention of the Committee for full consultation before action is taken to effect the proposed change.

2. There have been reports that OMB is again considering combining the Bureau of Reclamation and the Corps of Engineers on the basis that they are duplicative in their programs, activities, and abilities. Based on your past experience working with both the Bureau and the Corps, do you concur, especially in the area of irrigation and administering repayment and water service contracts?

   Answer: I understand the Bureau of Reclamation and the Army Corps of Engineers, with the cooperation of the Office of Management and Budget, have conducted an evaluation of the proposed merger of these two agencies. My information is that, generally, the analysis of the merger options has shown that the nature of the functions of the Bureau and of the Corps is sufficiently diverse and interdependent with other missions of these agencies that a merger would not make programmatic sense. Additionally, I am informed, the analysis indicates that the costs from a merger would exceed the savings through fiscal year 1988.

   I would like to become better informed on these matters before taking a definitive position about specific proposals.

3. Do you concur in the Committee's position as (stated in our report last Congress on S. 1739) that financing requirements for Bureau of Reclamation projects should be determined on a project-by-project basis?

Answer: Yes. The underpinning of the Administration's water policy is that the financing of water projects should be evaluated on a case-by-case basis.

4. Does the Department continue to support the repeal of section 3 of the Federal Coal Leasing Amendments Act of 1976?

   (a) Do you have any concern with other provisions of the Act and do you plan to submit legislation?

Answer: I support repeal of Section 3 of the Federal Coal Leasing Amendments Act and will work closely with the Congress in that regard. I presently am not aware of personal or Departmental concern with other provisions of the Act and I have no present plans to submit legislation nor do I know of any Departmental plans to do so.

5. Do both the Departments of Interior and Justice continue to support the repeal of section 2(c) of the Mineral Lands Leasing Act of 1920?

   (a) Do you share the concern expressed by the Linowes Commission on the effect on competition if railroads limited their bidding to their own checkerboard?

      (1) Would either co-operative leasing or exchanges reduce this concern?

Answer: I am advised that the Department of the Interior continues to believe that section 2(c) of the Mineral Lands Leasing Act inhibits competition for federal coal leases and should be amended. Although I cannot speak for the Department of Justice, I am not aware of a change in that Department's position supporting repeal of section 2(c).

I understand the Linowes Commission was concerned that repeal of section 2(c) would not necessarily promote competition unless railroad companies or their affiliates were required to release their exploration data on their own coal holdings within the tracts to be offered for lease, and that the railroads agree to participate in cooperative leasing of the railroad and federal coal. I am advised that the Department supports and concurs in the Linowes Commission analysis and accordingly supports amendment of section 2(c) as proposed by the Commission.

Cooperative leasing is one of the options suggested by the Commission to reduce its concern over the effect of repeal of 2(c) on leasing in the railroad checkerboard areas. I agree with the Commission's analysis. Exchanges offer another means of reducing this concern by consolidating federal and railroad coal into single units and allowing the Department to offer these consolidated federal units for lease. The railroads no longer would have any competitive advantage in the federal unit by virtue of ownership of alternative sections of coal and would have to compete on an equal basis with other coal companies.

6. The FY'85 Continuing Resolution offered relief to geothermal developers by extending the diligence requirements in their leases to December 31, 1986. Would you support further legislation that would provide you with discretionary authority to extend the diligence period for leases based upon the same or similar criteria as contained in the Continuing Resolution for FY'85?

Answer: I would like to know more about this issue before deciding to seek legislation. It does seem to me, however, that it may well be in the national interest to avoid penalizing operators who diligently invest in geothermal development, but who, despite their diligence, cannot market geothermal resources because of market conditions over which they have no control.

7. When does the Administration plan to submit the Compact of Free Association to the Congress?

Answer: I do not know. According to the Office for Micronesian Status Negotiations, which has direct responsibility for submitting the Compact to the Congress, the process is well underway. The Department's staff advises that the necessary interagency review is nearing completion prior to submission to the President.

8. At present, the Department has personnel permanently stationed in only three of the territories under its jurisdiction. Can you assure the Committee that as Secretary there will be sufficient Department presence in the territories to coordinate federal activities and meet your responsibilities?

Answer: Yes, I can. The Office of Territorial and International Affairs currently has field representatives stationed in the Virgin Islands and American Samoa. I understand the Office is planning to place a general representative in Guam within the next few months. In addition, I am advised there are technical assistance staff based in Saipan and working throughout the Trust Territory, as well as an officer in charge of operations and maintenance stationed in Guam.

As we move closer to termination of the Trust Territory Government and a winding down of the High Commissioner's function in Micronesia, it would be my intention to maintain a presence in the territories sufficient to coordinate continuing federal activities and to meet our responsibilities to the people of the Territories.

9. Do you believe that the Assistant Secretary for Territorial and International Affairs and his staff are capable of administering the program and other assistance which the United States will provide the Micronesian governments in the post-Trusteeship period?

   (a) Will you take the lead in working with the Departments of Defense and State, as well as other agencies, in such administration?

Answer: Since the Department of the Interior has administered the Trust Territory for 34 years, I believe the Department has the experience and capability for post-trusteeship Compact administration.

I understand that, because the Compact is an interdisciplinary document, an interagency approach to post-trusteeship compact administration has been determined to be appropriate. I can assure you that we will make every effort to ensure that approach is effective. I am advised that the President has determined that the freely associated states will be under administrative supervision of the following interdepartmental group: State (chair), Defense, Interior, Justice, Joint Chiefs, National Security Council, and Office of Management and Budget, with support staff headed by State, and deputies from Defense and Interior.

10. It has been reported that the Administration, in its budget initiatives, will seek to increase all types of entrance and user fees in our national parks, refuges and on public lands. If that is true, when can we expect the legislative proposals assumed in budget requests to be submitted to Congress, and in what form will they be sent? Will Committee jurisdictions be taken into consideration in the Administration's submittal of these proposals?

Answer: I understand the Department is working with the Office of Management and Budget on legislative proposals which will support the fee increases proposed in the President's fiscal year 1986 budget.

The Department advises the drafting process is in preliminary stages, with the authorities of each Bureau to implement user fee changes still being examined. It is, therefore, not yet possible to predict the final form of the legislation. However, if confirmed, I will instruct the Department to respect the jurisdictions of Congressional committees in submitting any proposals.

11. If confirmed as Secretary of the Interior, will you seek to fill the position of Director of the Park Service with a career professional?

Answer: Several names are under consideration for the position of National Park Service (NPS) Director. These include both career professionals, as well as individuals of national stature from outside the organization who are not career NPS employees but who have extensive park resource experience. I would support the candidate best suited in my judgment to carry on the traditions of that fine organization. It certainly is possible that a career professional could be the best choice.

12. The Public Rangelands Improvement Act requires the Forest Service and the Bureau of Land Management to submit reports to the Congress on the current grazing fee formula and the Experimental Stewardship program prior to the end of 1985. When can we expect to receive those reports?

Answer: I am advised that draft reports on both the Experimental Stewardship Program and the grazing fee formula now are being prepared by the Bureau of Land Management, working with the U.S. Forest Service. The grazing fee and Experimental Stewardship reports are scheduled for release for public comment in late February, and I understand final reports to the Congress will be made in early June.

13. Do you believe the repeal of 2(c) and the subsequent development of coal by a railroad affiliate in a checkerboarded area would create an incentive for that railroad or its affiliate to act in a way detrimental to consumers? Would they have the market power necessary to affect prices? If yes, why do you disagree with the Justice Department's analysis? Are there adequate safeguards in the law to prevent such situations?

Answer: I support the amendment of section 2(c) of the Mineral Leasing Act to allow a railroad company or its affiliate to bid for federal coal leases within its land grant area, if such an amendment requires the railroad company: (1) to release exploration data on its own coal holdings that will be part of the same Logical Mining Unit; and, (2) to participate in cooperative leasing of railroad and federal coal.

If Section 2(c) were amended as I have outlined, the Department considers the antitrust review procedures contained in section 15 of the Federal Coal Lease Amendments Act of 1976 to provide adequate protection against monopolization of the coal industry by the railroads to the detriment of consumers.

14. The Department of the Interior has been working with the Department of Justice to establish regulations to subject proposed fee exchanges involving federal coal to the same antitrust review provided for federal coal leases under Section 15 of Federal Coal Lease Amendments Act of 1976. Do you agree that such a procedure would be adequate to resolve any antitrust issues arising from such exchanges?

Answer: I am advised that consultations between the Departments of Justice and of the Interior on this subject have not been completed. I believe such consultations should be continued with a view to assuring there are appropriate antitrust safeguards in the development of federal coal. Therefore, I am not prepared to decide the best approach at this time.

15. The National Strategic Materials and Minerals Advisory Committee, established by Secretary Clark, recommended that the National Defense Stockpile be administered by a Federal Government corporation such as the Communications Satellite Corporation (COMSAT). Would you support the creation of such a corporation?

Answer: I understand the advisory committee's recommendation was based upon its belief that such a corporation, in the committee's words, ". . . would operate in a business-like manner, free of much of the bureaucratic procedures which delay decisions and tend to deprive the Government of the opportunity to buy or sell at maximum advantage." I support the principle that the National Defense Stockpile should be administered like a business. The committee's recommendation presently is being evaluated by a working group established under the Cabinet Council on Natural Resources and Environment, of which I am a member.

As you know, President Reagan has directed the National Security Council (NSC) to review the stockpile program to ascertain whether it properly reflects national defense preparedness requirements. That review is nearly complete. I believe that any action to reform administration of the National Defense Stockpile should reflect both the judgment of the Cabinet Council and the outcome of the NSC study.

16. As you may be aware, there has been considerable concern expressed as to how the Federal Oil and Gas Royalty Management Act of 1982 is being implemented. Can we assume that, as one of your first priorities, you will look into this matter and report back to this Committee as soon as possible?

Answer: Yes. I understand there is concern about the BLM's implementation of the Federal Oil and Gas Royalty Management Act regulations. The Department of the Interior currently is holding public meetings to receive input on what changes may be necessary. If confirmed, I will review the findings of the meetings and report back to the Committee.

17. The National Park Service has sought to enlist the aid of recreation and tourism interests to promote lesser-known areas and otherwise disperse visits better both seasonally and geographically. Do you favor continuation and expansion of this effort?

Answer: The National Park Service very successfully has enlisted the aid and cooperation of the private-sector recreation and tourism industry to promote travel to lesser known units of the National Park System. Based on my understanding of the purpose of this program and its achievement, I support it fully. I hope this type of activity will be considered by the recently established Presidential Commission on Outdoor Recreation Resources Review.

18. Every five years, the Department of the Interior is to conduct a Nationwide Outdoor Recreation Survey. Do you plan to conduct one in 1987 and do you have any plans to alter the way in which it is prepared?

Answer: The Department advises that the National Park Service will seek the cooperation of other federal land managing agencies to conduct a Nationwide Outdoor Recreation Survey in 1987 as was done in 1982-83. I understand the National Park Service now is analyzing the results and utility of the 1982-83 survey, and any changes in the 1987 survey will be based on the results of this review.

19. Please provide for the record information on the acquisition backlog of Land and Water Conservation Fund as follows:

Federal (by Agency)

a. Unit or other area designation;
b. acreage involved;
c. estimated cost;
d. date of estimate;

State

a. Estimate of the total need as identified in the SCORP's;
b. the number and cost of projects currently requested by the States;
c. the obligation rates by States; and
d. the capability of the States to match federal grants.

Answer: The following report is provided by the Department:

FEDERAL

Acquisition programs involving funding from the Land and Water Conservation Fund (LWCF) are addressed within each agency's annual budget process. The Department is responsible for the activities of the National Park Service, Fish and Wildlife Service, and Bureau of Land Management; activities of the Forest Service are addressed by the Department of Agriculture. For the last three years, the Department of the Interior, through the Land Protection Planning process, has been evaluating for each authorized unit the resources in need of protection and the most cost-effective manner in which to protect them. The detailed nature of the backlog in terms of costs and acres involved necessarily depends not only upon completion, but, also, on the implementation of the Land Protection Plans for each unit. The whole process is intended to provide a comprehensive unit-by-unit review of alternatives available with an eye to providing the most cost-effective protection short of fee acquisition. Currently, the National Park Service has completed Land Protection Plans for 129 of the 184 units containing non-Federal lands within their authorized boundaries. The Fish and Wildlife Service has completed Land Protection Plans for 10 of the 50 units that will be funded with LWCF. The attachment hereto provides presently known data about non-Federally owned acreage in each unit. Since estimated costs depend in many cases upon appraisals that are not yet available and levels of land protection that are not yet decided, it is not possible to provide detailed cost estimates at this time.

In view of the importance I attach to your inquiry, however, I have asked that a detailed compilation of costs be made available to the Committee at the earliest possible date.

STATE

a. SCORP's do not usually contain detailed acquisition and development schedules because of the difficulty in collecting information for all potential local grantees as well as accurately projecting costs for future acquisition and development in state parks and recreation areas. SCORP's are long-term plans that could be funded from a variety of state, federal, and local sources over five or more years.

b. The Department's only source of data on state funding demands are the Annual LWCF Grant Reports submitted by states at the beginning of each calendar year. These reports contain dollar amounts and numbers of grant requests considered during the previous year. Field collection of fiscal 1984 data still is underway. A table similar to the FY 1983 table (attached) will be ready for transmittal to Congress by the National Park Service in early March.

c. States obligated $107.4 million in LWCF grant funds during FY 1984, leaving $14.9 million unobligated at the end of FY 1984. A detailed list of state-by-state unobligated balances at the end of FY 1984 is attached.

d. National funding data for the last few years indicated that overall state and local funding capabilities have been adequate to match the amounts of federal funding available.

ATTACHMENT TO THIS QUESTION 19 FOLLOWS

Question 19 Attachment

National Park Service

Unit	Acres Remaining	Acres to be Acquired*	Estimated Cost*
Adams NHS	1		
Alibates Flint Quarries NHP	292		
Allegheny Portage NHS	289		
Andersonville NHS	22		
Antietam NB	1,546		
Apostle Islands NP	26,031		
Appalachian Trail	53,720		
Appomattox Court House	2		
Assateague NS	21,656		
Bent's Old Fort NHS	56		
Big Cypress N. Pres.	51,351		
Big Hole NB	0		
Big Thicket N. Pres.	6,233		
Biscayne NP	78,250		
Black Canyon of Gunnison NM	7,404		
Boston NHP	6		
Boston African-American NHS	0		
Bryce Canyon NP	3		
Buffalo River	4,108		
C & O Canal NHP	6,800		
Canaveral NS	15,782		
Cape Hatteras NS	1		
Cape Lookout NS	5,143		
Capitol Reef NP	19,150		
Carlsbad Caverns NP	320		
Castillo de San Marcos NM	1		
Channel Islands NP	238,463		
Chickamauga/Chattanooga NMP	17		
Chickasaw NRA	27		
Coronado NM	0		
Cumberland Gap NHP	4		
Cumberland Island NS	17,732		
Cuyahoga Valley NRA	18,020		
Delaware Water Gap NRA	13,379		
Desoto NM	2		
El Morrow NM	238		
Fire Island NS	13,483		
Fort Caroline NHS	5		
Fort Donalson NMP	12		
Fort Frederica NM	6		
Fort Laramie NHS	69		

Question 19 Attachment

Unit	Acres Remaining	Acres to be Acquired*	Estimated Cost*
Fort Necessity NB	8		
Fort Pulaski NHS	258		
Fort Raleigh NHS	4		
Fort Smith NHS	54		
Fort Sumter NM	2		
Fort Union Trading Post NHS	42		
Fort Vancouver NHS	7		
Friendship Hill NHS	13		
Gateway NRA	5,935		
Golden Gate NRA	45,618		
Golden Spike NHS	533		
Grand Teton NP	3,656		
Great Sand Dunes NM	2,236		
Great Smoky Mtns. NP	266		
Gulf Islands NS	4,862		
Hampton NHS	0		
Herbert Hoover NHS	6		
Home of FDR NHS	0		
Homestead NM	12		
Hot Springs NP	1,036		
Independence NHP	3		
Indiana Dunes NL	3,329		
James Garfield NHS	4		
Jean LaFitte	14,000		
John Day Fossil Beds NM	3,273		
Johnstown Flood NHS	8		
Klondike Gold Rush NHP	10,470		
Koloko-Honokohau NHP	1,161		
Lake Mead NRA	28,211		
Lassen Volcanic NP	6		
Lincoln Home NHS	0		
Lincoln Boyhood NHS	8		
Lower St. Croix NSR	2,416		
Lowell NHS	133		
Mammoth Cave NP	827		
Manassas NBP	1,475		
Martin Luther King NHS	19		
Martin Van Buren NHS	2		
Monocacy NB	1,233		
Montezuma Castle NM	17		
Morristown NHS	2		
Mound City Group NM	97		
Mount Rainier NP	0		
Natchez Trace Parkway	56		
New River Gorge NR	61,426		

Question 19 Attachment

Unit	Acres Remaining	Acres to be Acquired*	Estimate Cost*
Nez Perce NHP	276		
North Cascades NP	266		
Obed WSR	3,927		
Olympic NP	10,561		
Organ Pipe Cactus NM	1,489		
Petersburg NB	1,211		
Pictured Rocks NL	37,523		
Piscataway	46		
Point Reyes NS	6,882		
Redwood NP	34,853		
Richmond NB	0		
Rocky Mtn. NP	1,026		
Ross Lake NRA	12,442		
Sigamore Hill NHS	0		
Saguaro NM	1,616		
Salem Maritime NHS	0		
Salinas NM	430		
San Antonio Missions NHS	299		
Santa Monica Mtn NRA	140,299		
Saratoga NHP	809		
Scotts Bluff NHP	61		
Sequoia NP	718		
Shenandoah NP	64		
Shiloh NMP	55		
Sitka NHP	0		
Sleeping Bear Dunes NL	15,450		
Springfield Armory NHS	34		
St. Croix Island NM	13		
St. Croix NSR	45,007		
Thomas Stone NHS	6		
Tuskegee Institute NHS	50		
Tuzigoot NM	751		
Valley Forge NHP	555		
Vickburg NMP	0		
Virgin Islands NP	1,787		
Voyageurs NP	87,104		
War in the Pacific	1,113		
William Howard Taft NHS	1		
Wilson's Creek NB	0		
Zion NP	3,757		

* These figures must be extracted fromthe approved Land Protection Plans and other land acquisition records. They will be supplied to the Committee as soon as possible.

Question 19 Attachment

U.S. FISH AND WILDLIFE SERVICE	Acreage Remaining	Acreage To Be Acquired	Estimated Value
Ash Meadows NWR	None	*	*
Bear Valley NWR	1,429	*	*
Crocodile Lake NWR	4,300	*	*
Kealia Pond	280	*	*
Kirtlands Warbler	1,200	*	*
Lower Rio Grande NWR	46,500	*	*
Moapa Dace	15	*	*
Oklahoma Bat Caves	3,000	*	*
Protection Island NWR	300	*	*
San Francisco Bay NWR	3,980	*	*

* These figures must be extracted from the approved Land Protection Plans and other land acquisition records. They will be supplied to the Committee as soon as possible.

Question 19 Attachment

TABLE OF UNOBLIGATED L&WCF GRANT BALANCES BY STATE - End of FY 1984

STATE	TOTAL AVAILABLE FY 65 - FY 84	TOTAL OBLIGATED FY 65 - FY 84	UNOBLIGATED BALANCE
ALABAMA	46,507,554.31	46,137,608.84	369,945.47
ALASKA	25,136,200.79	24,482,133.01	654,067.78
ARIZONA	40,604,561.23	40,604,503.23	58.00
ARKANSAS	35,801,163.10	35,789,912.43	(11,250.67)
CALIFORNIA	284,547,871.60	282,792,057.47	1,755,814.13
COLORADO	43,047,306.54	42,940,210.12	107,096.42
CONNECTICUT	46,914,604.57	46,864,934.44	49,670.13
DELAWARE	26,649,100.50	26,636,417.57	12,682.93
DIST.OF COLUMBIA	12,367,391.80	12,367,378.08	13.72
FLORIDA	86,282,893.73	86,282,893.73	
GEORGIA	38,972,272.55	38,188,549.39	783,723.16
HAWAII	27,602,836.95	26,746,058.99	856,777.96
IDAHO	28,554,910.64	28,244,332.39	310,578.25
ILLINOIS	119,338,319.58	119,038,912.23	299,407.35
INDIANA	62,499,745.47	62,082,717.26	417,028.21
IOWA	40,345,999.74	39,915,804.40	430,195.34
KANSAS	37,181,869.78	37,117,052.40	64,817.38
KENTUCKY	43,378,504.27	43,015,130.25	363,374.02
LOUISIANA	53,140,932.92	53,138,531.41	2,401.51
MAINE	28,584,610.25	28,584,379.57	230.68
MARYLAND	54,796,423.63	54,773,257.91	23,165.72
MASSACHUSETTS	73,073,040.92	73,057,071.19	15,969.73
MICHIGAN	98,103,373.18	95,433,681.96	2,669,691.22
MINNESOTA	52,422,411.92	52,193,977.19	228,434.73
MISSISSIPPI	34,012,629.89	33,930,647.25	81,982.64
MISSOURI	63,934,784.83	63,291,997.85	642,787.98
MONTANA	28,099,749.70	28,032,251.25	67,498.45
NEBRASKA	33,262,683.72	33,225,267.83	37,415.89
NEVADA	28,487,902.27	28,453,863.98	34,038.29
NEW HAMPSHIRE	26,758,082.95	26,178,149.41	579,933.54
NEW JERSEY	91,317,054.01	90,923,059.24	393,994.77
NEW MEXICO	29,969,348.72	29,967,988.50	1,360.22
NEW YORK	179,905,844.96	179,897,804.37	8,040.59
NORTH CAROLINA	34,820,626.19	34,342,988.00	477,638.19
NORTH DAKOTA	25,512,484.10	25,471,674.97	40,809.13
OHIO	111,406,917.18	111,046,103.45	360,813.73
OKLAHOMA	40,536,647.69	40,518,130.80	18,516.89
OREGON	43,310,425.27	42,960,568.50	349,856.77
PENNSYLVANIA	126,540,366.49	126,384,356.27	156,010.22
RHODE ISLAND	29,122,148.52	28,479,250.35	642,898.17
SOUTH CAROLINA	42,472,946.14	42,319,639.12	153,307.02
SOUTH DAKOTA	27,321,564.73	27,149,854.60	171,710.13
TENNESSEE	53,049,672.93	53,040,492.56	9,180.37
TEXAS	121,532,925.04	120,980,538.60	552,386.44
UTAH	35,665,074.78	35,665,074.78	
VERMONT	24,104,362.21	24,101,705.08	2,657.13
VIRGINIA	59,175,343.18	59,137,743.69	37,599.49
WASHINGTON	50,485,510.91	50,122,632.11	362,878.80
WEST VIRGINIA	32,698,704.92	32,694,465.62	4,239.30
WISCONSIN	56,562,538.36	56,535,323.04	27,215.32
WYOMING	24,680,294.39	24,547,667.59	132,626.80
AMERICAN SAMOA	801,826.43	801,826.43	
GUAM	1,360,484.38	1,360,483.73	.65
NORTHERN MARIANN	4,073.00	4,073.00	
PUERTO RICO	29,116,137.06	29,116,136.99	.07
VIRGIN ISLANDS	1,542,273.12	1,423,317.71	118,955.41
NATIONAL TOTALS	2,853,446,928.86	2,838,532,782.13	14,914,146.73

Question 19 Attachment

L&WCF AMOUNTS REQUESTED - FY 1983

STATE	Amounts Requested in Fiscal Year 1983
Alabama	$ 5,786,723
Alaska	830,604
Arizona	5,078,355
Arkansas	4,344,226
California	18,980,029
Colorado	12,021,287
Connecticut	6,500,000
Delaware	2,000,000
Florida	6,008,356
Georgia	6,397,111
Hawaii	1,007,274
Idaho	1,618,090
Illinois	8,300,000
Indiana	3,317,943
Iowa	2,311,132
Kansas	2,596,000
Kentucky	1,686,119
Louisiana	12,200,000
Maine	4,200,000
Maryland	30,100,000
Massachusetts	11,000,000
Michigan	14,300,000
Minnesota	16,600,000
Mississippi	6,500,000
Missouri	4,045,214
Montana	2,700,000
Nebraska	4,500,000
Nevada	4,167,504
New Hampshire	2,400,000
New Jersey	105,000,000
New Mexico	4,344,226
New York	62,600,000
North Carolina	1,445,361
North Dakota	3,200,000
Ohio	11,700,000
Oklahoma	4,300,000
Oregon	1,762,747
Pennsylvania	18,000,000
Rhode Island	2,900,000
South Carolina	2,875,786
South Dakota	1,510,290
Tennessee	4,575,150
Texas	18,858,926
Utah	4,475,700
Vermont	2,000,000
Virginia	13,000,000
Washington	1,587,619
West Virginia	3,800,000
Wisconsin	3,928,778
Wyoming	4,219,517
District of Col.	1,200,000
Puerto Rico	5,618,845
Virgin Islands	7,676,000
Guam	n/a
American Samoa	34,330
TOTAL	$ 492,109,242

20. Mr. Theodore Gianoutsos raised several allegations in his testimony against officials of the Department of the Interior and other federal agencies. Please provide a narrative response to these allegations for the record.

Answer: I have been furnished the following narrative from the Department based on the official files associated with the Theodore Gianoutsos claims.

Mr. Theodore Gianoutsos, a former GS-14 Management Analyst with the Department, sent a memorandum on December 1, 1981, alleging many fraudulent mismanagement practices in the Facilities Construction and Operations Improvement Division (FCOID), Office of Acquisition and Property Management. That division was made a separate office in its own right in 1982 and renamed the Office of Construction Management (OCM). It was established under the direct supervision of the Office of the Assistant Secretary for Policy, Budget and Administration (PBA).

Significant new steps were taken to strengthen the management structure of OCM to provide for a greater efficiency of operation, and also to guard against the possibility of waste and mismanagement.

The Office of the Inspector General (OIG), as early as April 1980, had raised a number of questions regarding the contracting practices of FCOID. The Assistant Secretary, PBA, in December 1981 requested that the OIG conduct supplemental investigations concerning specific allegations made by sources outside the agency. Consideration of Mr. Gianoutsos' complaints was taken into account during the ongoing review. Numerous organizational, personnel and management changes subsequently were made. A recent follow-up audit by OIG in 1984 concluded that necessary corrective recommendations and action had been implemented.

Mr. Gianoutsos was offered reassignment to the Fish and Wildlife Service in August 1983, because he had displayed a personal interest in that particular area and management apparently felt it would help restore his performance. He declined the offer of a transfer. In September 1983, his removal from employment was proposed for causing irreparable breakdown in the employer-employee relationship. A proposed notice was issued finding that he failed to comply with the most basic employment requirements (i.e., being courteous, following direction and programming work). This notice cited in detail several specific instances of disrespect and discourtesy to his supervisors and fellow employees. Mr. Gianoutsos was provided with a copy of the material on which his supervisor relied to propose his removal. The notice informed him of his right to reply. He did not reply to the proposal and the decision to remove him from employment was issued in final on September 28, 1983. The decision was based on the record documenting his misconduct and not in retaliation for his alleging fraudulent practices.

The Office of the Special Counsel of the U.S. Merit System Protection Board (OSC) considered the allegation that Mr. Gianoutsos was removed in reprisal for whistleblowing. The OSC initially found that Mr. Gianoutsos did not follow due process by filing an appeal with the Department of the Interior within the 15 day period prescribed after receipt of his notice of dismissal. Upon Mr. Gianoutsos' personal appeal to the OSC, the case was nevertheless reopened and fully investigated. The OSC found that the allegation was not supportable and the case was closed. We are unaware that the case has been again reopened as Mr. Gianoutsos asserts in his statement to the Committee.

Mrs. Francoise Gianoutsos was separated from the Office of Personnel Management (OPM) on March 20, 1982, as a direct result of the reduction-in-force OPM implemented at the time.

Mr. Gianoutsos and his wife claim they were able and willing to contribute significant funding in order to advance fish and wildlife programs. They envisioned a Foundation being established to handle their initial contribution as well as serving as a conduit for similar contributions from other sources.

Mr. and Mrs. Gianoutsos were upset about what they considered a lack of Department enthusiasm for legislation to establish such a Foundation. They discussed this and Mr. Gianoutsos' fraud allegations with Secretary Watt on June 16, 1983. A week after this meeting, the Department sent, in response to Committee requests, a legislative report to the Congress which did not recommend enactment of the Foundation legislation.

An amended bill passed the House on February 6, 1984, and the Senate on March 8, 1984. The Department submitted an enrolled bill report to OMB on March 14 stating the Department would not object to approval. The National Fish and Wildlife Foundation Establishment Act was signed by the President on March 26, 1984.

A charter was drawn up and on January 18, 1985, Secretary Clark announced the appointment of seven of nine board members. At the first meeting on January 22, 1985, Thomas McMillan was elected Chairman of the Board of Directors.

20. (a) Will you cooperate with the Committee in providing further information on these allegations, after your confirmation, if it is deemed necessary?

Answer: Yes.

RESPONSE TO QUESTIONS FROM SENATOR WEICKER

21. Many have charged that the current OCS five year plan (1982-1987) is unable to balance both Federal and State interests, as well as environmental and developmental interests. These conflicts have resulted in Congressional moratoria on Interior appropriations bills. As Secretary, do you anticipate that there will be any significant changes in OCS policy in response to these or other issues?

Answer: I believe the OCS leasing program must minimize conflicts with state and other interests. I am committed to a rational program based on national needs, industry interest, and environmental protection. I do not believe that Congressional moratoria in appropriation bills are a sound approach to designing an offshore leasing policy and, if confirmed, I will try to ensure that the Interior Department's OCS pre-lease negotiation process is adequate to ensure that all resource values and Department of Defense needs properly are considered and protected in specific areas and that we continue negotiations with the appropriate Congressional, state and local officials so we will be in a position to agree that blanket OCS moratoria no longer are necessary.

22. Considering the change in the petroleum price and supply situation since development of the current 5-year plan, shouldn't the scope of the new plan which is now being drawn up, be reduced accordingly?

Answer: I will examine carefully the proper scope of a new offshore leasing program for 1986-1991. It would be imprudent to base such a critical component of the national energy plan wholly on the current decline in oil prices and the current excess of world oil supply over demand. Those circumstances may not represent a long term trend. Energy companies commonly make investments and acquire leases based on 20-to 30-year projections of prices, supply and demand. Leases offered in the next five year program only would become a major supply factor in the late 1990's and the first decades of the 21st century, when the world oil supply/demand and price pictures could be quite different from what they appear to be today.

23. Do you believe that in the past DOI has properly balanced environment risks with resource potential considering that, in the case of Sale 82 there were no industry bids on tracts which DOI refused to delete at the request of certain states?

Answer: I believe the Department of the Interior generally has properly balanced environmental risks with resource potential. In the specific case of Sale 82, North Atlantic, my information is that all of the coastal New England States and New York, with the exception of Massachusetts, agreed to the proposed sale configuration and that many tracts of concern to Massachusetts were deleted from the sale. I am advised that sale decisions were made after extensive environmental studies and consultation with all nearby states and with industry. The Departmental staff has expressed its belief that the lack of industry bids primarily is attributable to the following factors:

1. much of the geologically promising acreage was outside of the sale area (in moratorium or Canadian waters pursuant to the International Court Decision);

2. there were expectations of future oil price declines; and,

3. the sale involved potentially lengthy and costly litigation.

24. Considering the known fisheries resources of the Georges Bank, the objections from some New England states and the lack of oil industry interest in the area, would you consider deleting Georges Bank from further lease offerings?

Answer: I understand that Departmental staff is nearing completion of decision material on the proposed draft OCS oil and gas leasing program to cover the period mid-1986 to mid-1991. In deciding whether to include a lease sale or sales in the North Atlantic, I will be required by law to consider among other things, the fisheries resources, the views of the states, and industry interest. Until the review process is completed, no final decision on the Georges Bank area ought to be made.

25. As Secretary will you be working to encourage full state-federal cooperation in the OCS leasing process?

Answer: I am a strong advocate of full state-federal cooperation in the OCS leasing process. I plan to build upon the efforts of Secretary Clark to forge a consensus on proper development of the OCS.

26. Because the states depend upon their Coastal Zone Management programs to develop policy in this area, does your answer mean that you will support extension of the Coastal Zone Management Act?

Answer: The Administration will support a reauthorization of Coastal Zone Management programs; however, because of budget constraints, we are not prepared to fund such programs in the 1986 budget.

27. The CZMA has been an important part of the National OCS policy (particularly its provisions toward achieving consistency between State and Federal policies). By not supporting its reauthorization wouldn't you, in fact, be advocating a change in current OCS policy?

Answer: The substantive provisions of CZMA, including section 307(c)(3) relative to "consistency requirements," continue in full force and effect. Decisions to reauthorize or fund CZMA programs have no effect on the substantive provisions. Because the substantive provisions are unchanged, we do not believe we are advocating a change in current OCS policy.

28. It is my understanding that the EEZ, which was proclaimed by the President, may hold significant mineral potential for the Nation. Would you, as Secretary, expand the current programs within the Department to assess these potentials?

Answer: I understand the Department currently has underway a coordinated effort to assess the mineral potential of the EEZ/OCS. This effort involves the United States Geological Survey, Bureau of Mines, and Minerals Management Service, as well as National Oceanic and Atmospheric Administration.

The Department advises that at present the existing programs are adequately funded.

29. The Department of the Interior currently has a joint Task Force with the University of Hawaii to study the colbalt-rich crusts of the Pacific Ocean. This research has been limited because the capability of the facilities available from NOAA is limited. The Administration has opposed upgrading these facilities and, in fact, has attempted to eliminate them for the last five years. As Secretary, will you continue these cooperative efforts to study these colbalt-rich crusts and would you urge the upgrading of facilities, if needed?

Answer: I have been assured that the cooperative efforts of the National Oceanic Atmospheric Administration, United States Geological Survey, Bureau of Mines and Minerals Management Service with the States of

Hawaii, California, and Oregon on potential leasing of minerals other than oil, gas, and sulphur in the EEZ/OCS are firmly established and adequately funded at this very preliminary stage. If confirmed, I will continue these cooperative efforts. If I conclude that NOAA facilities need upgrading in order to facilitate the cooperative inter-agency effort, I would discuss that matter with the Department of Commerce.

30. Do you feel that there is any reason that the Office of Territorial and Insular Affairs could not deal with the problems which the Trust Territories will encounter post-trusteeship?

Answer: Since the Department of the Interior has administered the Trust Territory for 34 years, I believe the Department has the experience and capability for post-trusteeship Compact administration.

I understand that, because the Compact is an interdisciplinary document, an interagency approach to post-trusteeship Compact administration has been determined to be appropriate. I can assure you that we will make every effort to ensure that approach is effective. I am advised that the President has determined that the freely associated states will be under administrative supervision of the following interdepartmental group: State (chair), Defense, Interior, Justice, Joint Chiefs, National Security Council, and Office of Management and Budget, with support staff headed by State, and deputies from Defense and Interior.

31. If the State Department should gain jurisdiction in Micronesia post-trusteeship then will you be able to maintain the position of Assistant Secretary for Territorial and International Affairs to oversee the territories that will remain under the Interior Department's purview?

Answer: I will ensure that the Office of Territorial and International Affairs is maintained as an effective means to continue to assist in the development of the political, social and economic future of the United States territories. If, at any time, it appears that the head of the office ought not be an Assistant Secretary, I am committed to consult with the Congress before proposing any changes in level.

32. It is my understanding that only two of the seven territories have permanently stationed Department of Interior personnel. Can you assure this Committee that as Secretary there will be sufficient Department presence in the territories to coordinate Federal activities and meet your responsibilities?

Answer: Yes, I can. The Office of Territorial and International Affairs currently has field representatives stationed in the Virgin Islands and American Samoa. I understand the Office is planning to place a general representative in Guam within the next few months. In addition, I am advised there are technical assistance staff based in Saipan and working throughout the Trust Territory, as well as an officer in charge of operations and maintenance stationed in Guam.

As we move closer to termination of the Trust Territory Government and a winding down of the High Commissioner's function in Micronesia, it would be my intention to maintain a presence in the territories sufficient to coordinate continuing federal activities and to meet our responsibilities to the people of the Territories.

33. Do you think the current level is adequate?

Answer: I understand that the Office of Territorial and International Affairs (OTIA) already is taking action to place permanently at least one general representative in each of the U.S. territories, recognizing, of course, the OTIA ceiling. This is supplemented by regular trips by the Washington based staff of OTIA, as well as frequent detailing of experts from other agencies within the Interior Department and other federal agencies. Advice from OTIA causes me to believe that the Department's presence in the territories is sufficient to fulfill its responsibilities and, if confirmed as Secretary, I will continue a policy of direct communication throughout the territories.

34. I am happy to see in your statement a commitment to the President's policy of self-sufficiency for the territories. However, as you know, the Secretary of the Interior does not have the authority to prevent other agencies from implementing policies which eliminate business opportunities in the territories, and this has happened several times. Do you believe that the Secretary's authority should be expanded in this area?

Answer: I understand the Assistant Secretary for Territorial and International Affairs actively has sought closer interagency coordination and cooperation with those federal agencies whose activities impact the territories to try to ensure that those agencies' policies do not eliminate or impact negatively upon business opportunities in the territories. If confirmed as Secretary, I will support a continuation of that policy.

35. I would welcome any specific proposals you would like to make after you have had time to fully review this area.

Answer: I look forward to discussing this issue further with the Committee after having reviewed it more fully.

36. When does the Administration plan to submit the Compact to the 99th Congress?

Answer: I do not know. According to the Office for Micronesian Status Negotiations, which has direct responsibility for submitting the Compact to the Congress, the process is well underway. The Department's staff advises that the necessary interagency review is nearing completion prior to submission to the President.

37. The Trust Territories of the Pacific have expressed their concern about delays in passing the Compact of Free Association. (They have pointed out that delays in independence for New Caledonia have led to deaths and martial law in that Pacific territory of France.) What assurances can you give the people of the Trust Territories that you will support the commitment which they were given by the United States government and that you will vigorously advocate passage of the Compact?

Answer: The Administration fully supports the Compact of Free Association, and I actively will advocate prompt passage and implementation.

38. The Department of the Interior plays a crucial role in the relationship between the United States government and the territories. Because the territories are not represented as states in Congress, the Secretary must often serve as an advocate for their needs. Do you intend to take an active personal interest in working with the Committee to solve territorial problems?

Answer: If confirmed, I pledge to fulfill the responsibilities of the Secretary of the Interior to the people of the territories. As Under Secretary I took an active interest in working with the Committee to solve territorial problems; I propose to do likewise as Secretary.

39. In recent years, the Congress has found it necessary to appropriate funds substantially above the Administration's requests in order to meet the needs of the territories. What assurance can you give us that you will exercise your responsibility to meet those needs, particularly if increases are needed?

Answer: I have pledged to fulfill the responsibilities of the Secretary of the Interior to the people of the Territories. I understand that the Department's policy of expanding privatization efforts, increasing efficiency of the local governments and diversifying the local economies has been successful.

I believe we can continue this policy within the confines of the overall federal budget as we seek to meet the needs of Territories.

40. DOI currently spends between 25-30 million dollars annually on its environmental studies effort, yet these funds are directed toward oil and gas development only. If, as Secretary, you find that OCS mineral development is likely, then would the Department expand its environmental studies effort to include minerals studies?

Answer: The Department advises that the environmental studies program will continue to focus on oil and gas leasing at this time and that the Hawaii-Interior colbalt-rich manganese leasing effort is funded adequately for preparation of necessary environmental studies. I understand the oil and gas studies program is based on recommendations by the Regional Technical Working Groups (RTWG) who review and advise on ongoing and proposed studies. If a RTWG suggests funding of studies in their specific region of the OCS for minerals other than oil and gas, their suggestions will be carefully evaluated by the Department, with assistance from the Scientific Advisory Committee.

RESPONSE TO QUESTIONS FROM SENATOR WALLOP

41. (a) In your term of duty as Undersecretary of the Interior, you were directly involved with negotiations for exchange of lands as a means of acquisition of private lands for public uses, i.e., parks, refuges, etc. You are also very aware of the budget realities of the '80s and the limited funding from the Land and Water Conservation Fund that will be used for land acquisition by your land managing agencies -- the National Park Service, Fish and Wildlife Service and the BLM. The use of exchange for acquisition of vital lands or interests on these lands has been encouraged by me and several other members of Congress, the conservation community and others. My questions are:

Would you consider appointing a departmental task force and including the Forest Service to see how exchanges can be facilited as a land protection tool?

Answer: As I understand it, there is a Departmental task force exploring the use of exchanges to acquire vital lands needed for public purposes. I will look forward to receiving their findings. Although this effort is now within the Department of the Interior, I will seek to assure that there will be close coordination with other major land management agencies, such as the Forest Service.

41. (b) I would ask your thoughts on revisions necessary to current land acquisition authorities to utilize buy-lease back arrangements; acquiring interests necessary to protect the units and still provide for private ownership, covenants, the whole gamut. Can these revisions be made without linking to the cosmic issues of "land disposal," "privatization," "asset management," "jurisdictional changes," "alienation," or deauthorization of parks? I ask if that would attract Secretrial interest and a commitment?

Answer: I am committed to protecting essential resource values in the most cost-effective manner. In this regard, I support continued private ownership, buy-lease-back arrangements, or other alternatives where such private interest would be compatible with the purposes and legislative authority of the specific management unit. I understand the Land Protection Planning effort the Department has been undertaking over the past three years supports the involvement of other federal, state, local and private parties in the protection of each authorized area.

42. Russ Dickenson will soon be leaving his position as Director of the Park Service. If confirmed as Secretary of the Interior, will you seek to fill this post with a career professional?

Answer: Several names are under consideration for the position of National Park Service (NPS) Director. These include both career professionals, as well as individuals of national stature from outside the organization who are not career NPS employees but who have extensive park resource experience. I would support the candidate best suited in my judgment to carry on the traditions of that fine organization. It certainly is possible that a career professional could be the best choice.

43. (a) The Public Rangelands Improvement Act requires the Forest Service and the Bureau of Land Management to submit reports on the current grazing fee formula and the Experimental Stewardship Program to the Congress prior to the end of 1985. When can the Congress expect to receive these reports?

Answer: I am advised that draft reports on both the Experimental Stewardship Program and the grazing fee formula now are being prepared by the Bureau of Land Management, working with the U.S. Forest Service. The grazing fee and Experimental Stewardship reports are scheduled for release for public comment in late February, and I understand final reports to the Congress will be made in early June.

43. (b) In 1980 the Jurisdictional Land Transfer Program was formed to review and discuss the benefits of consolidating public lands. Basically the program was intended to identify federal lands which, through transfer

to either the Bureau of Land Management or the Forest Service, would result in cost savings to the government and improved service to the public land users.

I am of the opinion that the Wyoming field staff were the only ones who followed the guidelines, and that they found somewhere in the neighborhood of four million dollars could be saved through such a transfer. I have two questions. First, when will the announcement take place? Second, will you plan to make this announcement in the affected states, and particularly in Wyoming?

Answer: On January 30, 1985, officials from the Bureau of Land Management and the U.S. Forest Service announced in Washington a proposal to interchange management of about 30-35 million acres of lands in order to enhance public service and improve administrative efficiency. Announcements also were made through field offices of both agencies throughout the Western States.

44. Most recently, in a letter to the President, efforts were renewed to restore the Animal Damage Control Program back to the Department of Agriculture. The program authorized in 1931 was designed to reduce agricultural losses from predatory animals. In 1940, in spite of objections from the agricultural sector, the Department of the Interior assumed jurisdiction of the ADC Program.

I believe the program can best be carried out by the Department of Agriculture whose purpose is to encourage and promote agricultural productivity. Would you be able to support such a transfer?

Answer: As you know, any effort to transfer the Animal Damage Control Program to the Department of Agriculture will require legislation. I am informed that a review of this issue is underway in the Department, and I also understand that Secretary Clark has expressed his personal view in support of transfer in correspondence to Members of Congress. His position is impressive to me. Recognizing the possibility of different transfer scenarios, however, I would want to review any proposal before making a commitment either for or against such transfer.

45. The Department of the Interior has maintained on-going reviews and reforms of the Simultaneous Oil and Gas leasing program since it was suspended in September of 1983, and then resumed once again in the fall of 1984. During, and now after, the Department's self-imposed moratorium, it suspended awarding several leases, about 92, in the Wyoming Overthrust area pending the findings of an in-house working group's review of the "clear listing" of offers in this area of my state.

The working group finished its review of the clear listing question in late November, but suggested that close to 30 of those lease offers be suspended until further analysis could be done. My question is two fold. First as Secretary, what specific plans do you have to continue the review of the SIMO System? Second, will any more non-competitive leases be awarded in the Wyoming Overthrust area, or will they stay in a suspended state until the Inspector General finishes his review of the system, or until the Bureau of Land Management establishes consistent criteria and documentation for deferring lease offers? On that same subject what is the present timetable for completion of these reviews?

Answer: I plan to review the steps taken by the Department to implement the SIMO System which was put in place as of August 1984. I also intend to examine the desirability of further modifications to the existing SIMO System, as well as possible alternative systems for oil and gas leasing.

It is my understanding that the Inspector General's report is to be completed soon. I believe it would be desirable to have the benefit of that study before taking further action on the Overthrust leases. After I have had the opportunity to evaluate fully all of these findings, I plan to make a final decision as soon as possible.

46. (a) The Department recently announced its final regulations establishing standards for states to conduct audits of oil and gas royalties paid on federal leases -- otherwise known as delegated authority. My state of Wyoming has been a leader in tracking down money owed to the government -- and has already recovered more than $20 million. Since this delegated audit authority was of major concern to me when the 1982 legislation was passed, I am naturally very interested in the actual working outcome of these regulations.

I would like to know what your interpretation of delegated authority will be. In other words, will state auditors have direct access to all companies holding a federal lease, or will they in some cases have to coordinate their auditing activities through a resident Mineral Management Service auditor?

Answer: My personal belief is that, to the greatest extent possible, state auditors should have direct access to companies holding federal leases they are auditing. In the case of companies where there is no MMS resident auditor, it seems to me the state auditors should deal directly with the company personnel, conduct the audit, and prepare and send issue letters. In the case of the thirteen companies (the largest royalty payors) where MMS has a resident audit team, I believe the state should coordinate with the resident auditor as to the timing of the on-site audit visit and the leases to be audited. This step is necessary to allow the company to plan space and logistical requirements for auditors from several states who will be auditing the company. The state auditors should have complete control of their audit and freedom of contact with the company under audit.

46. (b) I have one more question in this area, and that is: Do you intend to continue with the present review and reevaluation of the Bureau of Land Management's penalty system contained in the September 22, 1984, Federal Oil and Gas Royalty Management Act regulations?

Answer: Yes. I understand there is concern about the BLM's implementation of the Federal Oil and Gas Royalty Management Act regulations. I believe the Department of the Interior currently is holding public meetings to receive input on what changes may be necessary. If confirmed, I will review the findings of the meetings and report back to the Committee.

47. Wyoming is now ranked as our country's third largest coal producing state so I am naturally interested in what steps you plan to take in getting the federal coal leasing program back in order. Will you continue on the path broken by your predecessor, or do you have specific plans of your own design?

Answer: I am aware of the progress made by Secretary Clark in revising the Department's coal leasing program, and I intend to pursue that effort. After the Supplemental EIS is completed, I will review all the options and alternatives in compliance with the National Environmental Policy Act, and then determine the proper future course for the federal coal leasing program.

48. Mr. Hodel, if you are confirmed as Secretary of the Interior, would you continue to pursue the policy of your immediate two predecessors of acquiring water for federal needs pursuant to state water law?

Answer: If I am confirmed as Secretary, the Department of the Interior will continue the policy of following State water law in acquiring water rights for federal needs.

49. In the West, the issue of reserved and non-reserved water rights is of particular importance. With regard to the Bureau of Land Management, what kind of a policy will you be pursuing if you are confirmed as Secretary of the Interior in acquiring reserved water rights for federal uses on BLM lands?

Answer: The Bureau of Land Management would continue to follow state water law in the possible acquisition of water rights for federal uses on public lands.

50. Do you support or oppose the OMB proposal to eliminate all power assistance to the repayment of irrigation on federal hydro electric projects?

Answer: I support the existing reclamation laws that, as I understand them, allow hydropower revenue assistance in the repayment of irrigation capital costs. If, however, the President determines that national considerations require us to seek a revision of these laws, I will support his decision to the best of my ability.

51. With respect to Indian reserved water rights, will you be pursuing a policy of negotiated settlements as advocated by your immediate predecessor?

Answer: I support the existing policy of negotiated settlements for Indian reserved water rights disputes as the most beneficial approach for all parties involved.

52. The Department of the Interior has jurisdiction and enforcement responsibilities over millions of acres of prime hunting, wilderness and recreational lands.

As you know, hunting has long been an American tradition. And, American hunters have been involved with habitat protection and wildlife management long before the issue became popular.

As Secretary, will the Interior Department assure the Committee that current hunting lands will remain open in conjunction with sound wildlife management practices and not attempt to further restrict hunting, access to hunting or shooting sports activities by law abiding citizens?

Answer: I understand the Department of the Interior has no intention of restricting hunting on those lands currently available for such use -- a position I support. In fact, I believe the Department, in cooperation with American hunters and others, has worked to enhance hunting opportunities. Among these endeavors are new habitat development, appropriate management of other activities, maintenance of existing access, and acquisition of additional access to lands the Department manages.

RESPONSE TO QUESTIONS FROM SENATOR EVANS

53. Your potential successor at the Department of Energy stated during his confirmation hearings that he has an open mind on proposals to merge the Departments of Interior and Energy. Furthermore, he stated that the President has instructed him to investigate efficiencies emanating from the merger. Do you have an open mind on this proposal? Have you been similarly instructed? If so, what was the nature of your instructions?

Answer When the President spoke to me regarding his intention to nominate me to be the next Secretary of the Interior, he asked me, once confirmed, to commence a study with Mr. Herrington of our respective departments and to propose reorganizational options, recognizing the interrelationship of energy, natural resources, and defense policies. If confirmed, I shall commence such a study and approach the issues with an open mind. As I stated during my confirmation hearing, I believe we must look at the options for reorganization not only in terms of whether they are good options in our opinion, but also in terms of whether they are perceived by others, especially the Congress, to be good options.

54. Previously, you have said that the creation of a Department of Energy and Natural Resources was a good idea in theory, but that there were much more important items on your legislative agenda. Have your views changed regarding the relative importance of the Department of Energy and Natural Resources proposal?

Answer: I take very seriously the President's charge to Mr. Herrington and to me to commence a study of our respective departments and to propose reorganizational options. There undoubtedly will be an extensive review process of any reorganizational options that Mr. Herrington and I might propose, prior to the development of any legislative proposal. That review process will include appropriate consultations within the Administration, with the Congress, and with other interested parties. Whether there will be a legislative proposal, and, if so, what its priority may be in relation to the rest of the Administration's legislative agenda will depend on a variety of factors, including the outcome of the abovementioned consultations with the Congress.

55. Recently the Office of Management and Budget proposed merging the Bureau of Reclamation and the Corps of Engineers into the Department of Defense. The proposal was strongly opposed by your predecessor Secretary Clark. What is your position on the merger proposal? Would your position change if the civilian engineering functions of the Corps of Engineers were merged with the Bureau of Reclamation into the Department of the Interior? Please inform us of the preliminary findings of the Bureau of Reclamation of the efficiencies possible from the merger of the Bureau of Reclamation with the civilian functions of the Corps of Engineers.

Answer: I understand the Bureau of Reclamation and the Army Corps of Engineers, with the cooperation of the Office of Management and Budget, have conducted an evaluation of the proposed merger of these two agencies. My information is that, generally, the analysis of the merger options has shown that the nature of the functions of the Bureau and of the Corps is sufficiently diverse and interdependent with other missions of these agencies that a merger would not make programmatic sense. Additionally, I am informed, the analysis indicates that the costs from a merger would exceed the savings through fiscal year 1988.

I would like to become better informed on these matters before taking a definitive position about specific proposals.

56. Recently, the United States Forest Service and the Bureau of Land Managment proposed to interchange management of BLM and Forest System lands in the western states. Please give us your views on this proposal.

Answer: Based on a general understanding of the proposal, I believe it has merit and the goals outlined make good sense: enhancing public service; improving management efficiency; and, reducing agency costs. I believe the idea has been around for a long time. The questions now to be resolved are: (1) is the proposal workable; and (2) do the details, also, make good sense? I believe the Adminstration now must embark upon a consultation process with the Congress, the states, and the many other interested parties in an effort to build a consensus on the best way to proceed with the interchange proposal.

57. Please outline legislative changes necessary to effectuate the Interchange Program. Please describe administrative activities to effectuate the Interchange Program which may be taken prior to passage of implementing legislation.

Answer: I understand legislation is required to accomplish any change of jurisdiction between the U.S. Forest Service and the Bureau of Land Management. The Department advises that, in the next few months, Bureau of Land Management and Forest Service officials will be developing implementation plans, and these plans will outline the necessary actions, both administrative and legislative, to achieve the stated goals of enhancing public service, improving management efficiency, and cost savings. I believe these implementation plans must be developed in full consultation with the Congress and interested parties.

58. Please give us your views on the merger of the U.S. Forest Service with the Department of the Interior. In your opinion, would inclusion of only the Forest Service functions relating to management of the National Forest System in the Interior Department increase the chances of effectuating such a proposal? Would such a breakup of current Forest Service functions be desirable?

Answer: I do not have opinions on these questions. I have not studied the possibility of merger of the United States Forest Service or the Bureau of Land Management into one agency, either in the Department of the Interior or the Department of Agriculture.

59. Former Interior Secretary James Watt once characterized Indian reservations as "disastrous experiments in socialism." Please give us your views on the efficacy of termination of Indian reservations. Will you honor the Federal Government's trust responsibilities to provide adequate health, education, and other opportunities to American Indians and Alaskan Natives?

Answer: President Reagan rejected termination of Indian reservations in his January 1983 Indian policy statement. I pledge to fulfill the federal government's trust responsibilities to American Indians and to Native Americans, and I will honor federal statutory and treaty obligations to Indian tribes and Indian people. It is my goal to enhance tribal self-determination, economic development and quality education.

60. In Washington State proposals have been made to prohibit commercial fishing for steelhead trout. Opponents of this measure argue it would effectively abrogate Indian treaty rights. Please inform us of your opinion on whether steelhead decommercialization would have the effect of abrogating certain Indian treaty rights. If so, would you oppose this type of legislation?

Answer: The Department of the Interior opposed steelhead decommercialization legislation when it was introduced in the 97th Congress on the ground it would violate certain Indian treaty rights. I believe the Secretary of the Interior, because of his trust responsibilities, ought to oppose legislation modifying Indian treaty rights unless (1) it is beneficial to tribal interests, and (2) the tribes themselves support it. Any change in the Department's position would come only after a thorough reexamination of the issue and extensive consultation with all groups affected by this type of legislation.

61. I understand that recently there have been discussions regarding the appropriate interest rate to be charged for replacements made to power and irrigation investments to be repayed from commercial power revenues of the Power Marketing Agencies. Please describe in detail the status of those discussions. Please submit with your answer copies of any interagency agreements signed on this subject since 1982.

Answer: In September 1983, Assistant Secretary of the Army for Civil Works William Gianelli, Commissioner of Reclamation Robert Broadbent, and Assistant Secretary Joe Tribble, Department of Energy, confirmed an agreement, copy attached, on interest rates that would be charged in the repayment of the power features of federal multiple-purpose water projects.

Additionally , the financial books, records, and studies of the Bureau, Corps, and Power Marketing Administrations are to be reconciled so that all future entries would show consistent repayment rates of interest for each particular new increment of investments.

I understand that the general direction is that all replacement power components would be capitalized at the interest rate then in effect at the time of consultation. If the unit of property is not placed in service within the first year, the interest is to be compounded each year, and added to the repayment obligation until the unit is properly placed in service. This procedure would be used as long as it is not inconsistent with existing law as applied to individual projects.

The agreement did not anticipate any change in the application of interest rates on irrigation components.

ATTACHMENT TO THIS QUESTION 61 FOLLOWS

QUESTION 61 ATTACHMENT

SEP 2

100 RB 9-2
115
400
700

Department of Energy
Washington, D.C. 20585

Honorable William R. Gianelli
Assistant Secretary of the
Army for Civil Works
U.S. Department of the Army
Pentagon Building
Washington, DC 20310

Honorable Robert N. Broadbent
Commissioner of Reclamation
U.S. Department of the Interior
Washington, DC 20240

Dear Mr. Gianelli and
Mr. Broadbent:

This letter will confirm an agreement which was reached among us on Tuesday morning, November 16, 1982, at a meeting in Mr. Broadbent's office concerning interest to be charged in repaying the power features of Federal multiple-purpose water projects. Present at the meeting were Mr. Broadbent, and several representatives of the Bureau of Reclamation; Mr. Donald A. Sandison and Mr. G. Edward Dickey, representing Mr. Gianelli, along with Mr. Curtis L. Clark of the Corps of Engineers; and Daniel M. Ogden, Jr., Director of the Office of Power Marketing Coordination, accompanied by several representatives of the power marketing program at the Department of Energy (DOE).

The participants discussed two subjects. The first was the repayment interest rate policy established by Secretarial Order No. 2929 issued by the Secretary of the Interior on January 29, 1970, as supplemented by guidelines issued June 30, 1970. This policy subsequently was embodied in the Department of the Interior Manual as 730 DM 3 and in the DOE Order RA 6120.2. This policy is referred to herein as the 2929 policy. The second subject was compounding interest during construction.

We have agreed to the following:

1. The 2929 policy was established to provide a standard repayment interest rate formula for new Federal power projects and system transmission facilities when the administrative discretion to establish such rates is vested in the Executive Branch. The 2929 policy will continue to be used to fill that need, but the Assistant Secretary for Conservation and Renewable Energy of the Department of Energy has proposed a revision to eliminate the one-half percent cap on the annual change in the applicable rate of interest and to provide that the applicable rate shall be the rate in the year in which construction is initiated, rather

QUESTION 61 ATTACHMENT

than the year in which funds to initiate construction are appropriated. These proposed changes are now before the public for comment and, unless public comment gives convincing reason to do otherwise, will become effective October 1, 1983. They will then be embodied in the policy and procedures of each agency party to this letter.

2. The books, records, and studies of the Bureau, the Corps, and the five power marketing administrations (PMAs) should be reconciled so that all future entries will show a consistent repayment rate of interest for each particular new increment of investment, including replacements, additions, and new construction. The interest rates assigned to existing increments of investment between January 29, 1970, and September 30, 1983, should be analyzed to insure compliance with the 2929 policy or that deviations from the policy are adequately justified.

3. The Bureau and the Corps will work with the respective power administrations, using the criteria established by the Task Force in paragraph 4, to reconcile their books, records, and studies to comply with items 1 and 2.

4. A task force will be established composed of representatives of the Bureau, the Corps, and the DOE/PMAs to direct the execution of items 1, 2, and 3 and to resolve any difficulties that may arise. Insofar as is practicable, each party to this agreement will supply representatives well versed in the details of project accounting, repayment, revenue allocation, and financial statement presentation. The task force may make recommendations to the Assistant Secretaries of the Interior, Army, and Energy to revise the 2929 policy, if necessary.

5. The Bureau, Corps, and the PMAs will assess interest during construction and will compound that interest annually for projects or facilities which require more than one year to complete. Where interest is not now being compounded, the responsible agency will begin compounding interest effective October 1, 1983. Such accumulated interest will be added to the total capital repayment requirement when each new project or facility is placed in service. The constructing agency shall be solely responsible for making these calculations.

Joseph J. Tribble

Date 6/30/'83

Joseph J. Tribble
Assistant Secretary
Conservation and Renewable Energy
Department of Energy

QUESTION 61 ATTACHMENT

I Concur:

William R. Gianelli
William R. Gianelli
Assistant Secretary of the Army
(Civil Works)
Department of the Army

Date 23 AUG 1983

I Concur:

Robert N. Broadbent
Robert N. Broadbent
Commissioner of Reclamation
Department of the Interior

Date 9/1/83

I Concur:

FOR Peter T. Johnson
Administrator
Bonneville Power Administration
Department of Energy

Date AUG 3 - 1983

I Concur:

Robert L. McPhail
Administrator
Western Area Power Administration
Department of Energy

Date JUL 15 1983

62. Section 4(h)(11) of the Pacific Northwest Electric Power Planning and Conservation Act requires Federal agencies responsible for managing, operating or regulating hydroelectric facilities located on the Columbia River and its tributaries "exercise such responsibilities, taking into account at each relevant stage of decisionmaking processes to the fullest extent practicable" the program adopted by the Pacific Northwest Electric Power and Conservation Planning Council for the protection of fish and wildlife on the Columbia River system. What is your view of the responsibilities of the Department of the Interior under this section?

Answer: I believe all affected bureaus within the Department of the Interior have the responsibility to be aware of and to consider fully the provisions of the Council's fish and wildlife protection program as they fulfill their other responsibilities. The Department should continue to cooperate with the Council to achieve the protection of fish and wildlife on the Columbia River System.

63. During the last session, Congress passed legislation authorizing construction of fish passage facilities at irrigation dams on the Yakima River basin, Washington. Furthermore, Congress appropriated $4.8 million for construction and $675,000 for preconstruction activities to the Bureau of Reclamation and approved expenditures of $8 million by the Bonneville Power Administration for the Yakima fish passage facilities. Please inform us of your views on the following questions relating to the Yakima Project:

1) whether construction costs for the project must be reimbursable to the federal government;

2) whether, for the purpose of determining the appropriate cost-sharing formula for the Yakima Project, you will consider the contribution of the electric ratepayers of the Pacific Northwest to a non-federal share of financing;

3) whether you will consider the construction of fish passage facilities in the Yakima River basin a high priority project for the Bureau of Reclamation;

4) whether you will assign sufficient personnel to the project to proceed with construction at the pace contemplated by Congress when it passed authorizing legislation and provided $4.8 million to the Bureau of Reclamation and approved $8 million in BPA expenditures for construction of the project; and

5) whether you will support funding requests and assign personnel sufficient to complete fish passage facilities at all Yakima facilities by mid FY 1988.

Answer: The fish passage facilities will be funded and implemented in accordance with the Pacific Northwest Power Planning and Conservation Act (Public Law 96-501). There are non-federal contributions by the State of Washington and private interests of $615,000, funding from Bonneville Power Administration of $13,345,000, and funding of $1,700,000 from the Bureau of Indian Affairs. It is my understanding that the contributions of the electric ratepayers of the Pacific Northwest are considered a non-federal contribution, and I will continue to support this approach.

I will continue to support the construction of the fish passage facilities in accordance with applicable law. As funding and personnel requests are received and future budgets are prepared, I will give full consideration to the completion schedule of the fish passage facilities.

64. When the Federal Government proceeded with development of the Columbia River Power System dams, it pledged to fund fish hatcheries necessary to offset the adverse impact on the dams on anadromous fish runs in the Pacific Northwest. In its Fiscal Year 1985 Budget request the Administration proposed transfer of funding responsibilities to the electric ratepayers of the Pacific Northwest, thereby reneging on the Federal Government's pledge to protect the region's anadromous fishery resource. Will you honor the Federal commitment to fund Columbia River fish hatcheries?

Answer: The Department advises me that the situation to which you are referring involves fish hatcheries under the Mitchell Act of 1938 that are the responsibility of the Department of Commerce. The Department of the Interior has a strong interest because the Fish and Wildlife Service operates 6 of 24 Mitchell Act hatcheries with funds provided by Commerce. In the fiscal year 1985 budget, Commerce Bill Number 5 proposed that these hatcheries be funded by revenues from the Bonneville Power Administration (BPA). The revenues would have been collected from rate payers. Congress rejected this proposal and directly appropriated the funding for the fish hatcheries.

Under the Federal Transmission Act, the Fish and Wildlife Service is responsible for operating hatcheries on the Lower Snake River. A number of these hatcheries are operated by the States of Washington, Oregon, and Idaho through the cooperative management effort outlined in the Lower Snake River Compensation Plan. The Department of the Interior will continue to fund these facilities through direct appropriations as provided for in the 1985 budget. The BPA now reimburses the Treasury for these expenditures as required by the Federal Transmission Act. The fiscal year 1986 budget proposes to retain the fiscal year 1985 approach of direct appropriations.

65. During 1983, Congress provided $900,000 for construction of broodstock spawning and rearing facilities at the Little White Salmon National Fish Hatchery, Washington. During the initial construction it was determined that the rearing ponds, as originally planned, were not technically adequate to rear spring chinook salmon. Subsequently, the ponds were redesigned, substantially increasing construction costs.

Without additional funding, the ponds cannot be used for rearing, smolt imprinting, or any light-controlled activities. The estimated cost of completion of this project as redesigned is $830,000. Will you support funding requests to complete the Little White Salmon National Fish Hatchery?

Answer: The Department advises that the $830,000 needed to complete the broodstock spawning and rearing facilities at the Little White Salmon National Fish Hatchery will be considered with other construction requirements during development of further Fish and Wildlife Service budget proposals. In the interim, the ponds will be available for use in spawning activities, but the limitations on rearing and smolt-imprinting activities will continue to exist. The project appears to have merit but, as I mentioned, both the Service and I will need to assess its relative priority against other requirements and in the context of the need to hold down federal expenditures.

66. During the 98th Congress, the Senate Energy and Natural Resources Committee reported to the Senate a bill which would have given the Bureau of Land Management authority to sell excess wild horses and burros from the Nation's range lands. The Committee's intent, however, was for the Secretary of the Interior to vigorously pursue alternatives prior to exercising sale authority. Would you support similar legislation if it were introduced during the 98th Congress? If such legislation were to pass both houses of Congress, what steps would you take to promote the Bureau's adoption program prior to exercising sale authority?

Answer: I understand BLM has taken a number of actions to encourage adoptions, such as waiving transportation costs on animals shipped from BLM holding facilities to contract and satellite adoption centers; waiving standard adoption fees altogether on large-scale adoptions to responsible organizations; accentuating public affairs efforts to promote adoptions; placing increased emphasis on satellite adoption centers which distribute animals at selected locations; and contracting with the National Academy of Sciences for wild horse and burro research. These steps help carry out the commitment of the Congress and the Department of the Interior to a viable adoption program.

Although I certainly would entertain additional suggestions, I believe these measures would be a responsible predicate to exercise of a statutory power of sale. I have not had an opportunity to study this issue in sufficient detail to form an opinion as to what type of legislation would be appropriate.

67. In 1981, when you were Under Secretary of Interior, you were an advocate of historic preservation tax credits in the 1981 Economic Recovery Tax Act. Please inform us of your views on tax incentives for historic preservation.

Answer: In general, I support tax incentives for historic preservation. I will continue to advocate tax incentives for historic buildings and, in particular, would advocate the continuation of a differential advantage for historic buildings over non-historic older buildings. I understand that the credit has been effective in spurring nearly 7 billion dollars of historic preservation and restoration activity. The President is considering a tax reform proposal. When the President sends a tax reform proposal to Congress, I will, of course, support its position on historic properties.

68. Do you plan to be an advocate for continuation of historic preservation tax credits?

Answer: Yes. I will continue to advocate tax incentives for historic buildings and, in particular, would advocate the continuation of a differential advantage for historic buildings over non-historic older buildings. I understand that the credit has been effective in spurring nearly 7 billion dollars of historic preservation and restoration activity. The President is considering a tax reform proposal. When the President sends a tax reform proposal to Congress, I will, of course, support its position on historic properties.

69. The Administration requested no funds in Fiscal Years 1984 and 1985 for historic preservation. These are matching funds which the States have used to carry out Federally-mandated activities such as structural certification for Federal tax incentives and review for nomination to the National Historic Register. Will you request needed funding for Fiscal Year 1986?

Answer: It is my understanding that the budget will not propose funding for this program which is relatively small compared to the large sums invested in historic preservation because of the tax credits referenced in the prior two questions.

RESPONSE TO QUESTIONS FROM SENATOR JOHNSTON

70. Do you believe that recreation-related entrance and user fees should be increased? Should these receipts be earmarked for any particular purpose?

Answer: I believe collection of entrance and user fees is appropriate and feasible. I am told there are certain cases in which they should be increased. I understand the fiscal year 1986 budget will contain such a proposal. I would support earmarking the use of these funds in certain cases if viewed favorably by the Congress.

71. Do you feel that the federal government should receive fair market value for the use of its grazing lands? Do you believe the government is currently receiving fair market value?

Answer: I believe the federal government should receive fair market value for the use of its grazing lands. My information is that the current grazing fee formula provides fair market value as defined by the Congress in the Public Rangelands Improvement Act. The Bureau of Land Management and the Forest Service are preparing a report to the Congress on grazing fees as required by that Act. That report is supposed to analyze alternative fee schedules.

72. What is your view on the need for legislation to afford greater protection to National Parks from activities taking place on adjacent lands?

Answer: If confirmed as Secretary of the Interior, I would prefer to continue the review currently underway at the Department to identify conflicts which may exist between the management and protection of National Park lands and the management of adjoining public lands. I will seek to implement administrative mechanisms intended to minimize conflict and to encourage resolution of any conflict at the local level. Success in these endeavors would render broad legislative action concerning these lands premature or even unnecessary.

RESPONSES TO QUESTIONS FROM
SENATOR JOHNSTON

73. Legislation to establish an American Conservation Corps (ACC) has been introduced again in both Houses of Congress. It contains changes which seek to address some of the Administration's objections to the bill which the President vetoed last October. What are your views with regard to this legislation? Knowing that such programs have proved to be cost-effective, that they have earned overwhelming support among young people and resource management authorities, and have increasingly attracted bipartisan support, what would you suggest as an alternative to the establishment of a program like the ACC?

Answer: Legislation establishing an American Conservation Corps was vetoed at the end of the 98th Congress. I believe the intent of such legislation is good; it provides opportunities for young people to work in and experience the great outdoors, and good work is done for recreation facilities. However, under such a program, the jobs are only temporary and it is my recollection that, when I was Under Secretary, most managers in the Department indicated that more and better work could be accomplished through more experienced and permanent employees.

74. Now that the Park Rehabilitation and Improvement Program (PRIP) is completed, what do you feel is the top spending priority for the National Park Service?

Answer: I believe the National Park Service's top spending priority should be to ensure that visitor services are maintained and that physical facilities and natural resources are protected. I understand the Service has included plans for a Congressionally-mandated maintenance management system in the fiscal year 1986 budget which will help ensure that the physical plant does not deteriorate and, if the Administration's proposal to increase and dedicate entrance and user fees is enacted, funds would be available in 1987 to enhance the Park Service maintenance program.

The Service's natural resources program is the one component of the Park Restoration and Improvement Program for which funding again is requested in fiscal year 1986. I support that request.

RESPONSE TO QUESTIONS FROM
SENATOR JOHNSTON

75. Under the Federal Land Policy and Management Act (FLPMA), the Secretary of the Interior was to report to the President no later than July 1, 1980, on wilderness recommendations for those areas formally identified as BLM natural or primitive areas. The President was then to notify the Congress of his recommendations regarding these areas no later than July 1, 1982. As of today, these recommendations have never been forwarded to the Congress. What is the status of these recommendations in the Department? If confirmed, will you do what you can to comply with the law in this regard?

Answer: The Department advises that, of the 55 areas formally identified as BLM natural or primitive areas requiring accelerated study pursuant to FLPMA, 31 now are undergoing final Administration review prior to transmittal to the President. Of the remainder, the Aravaipa has been designated wilderness, and the rest are under active study. If confirmed, I will do all I can to ensure compliance with the law.

76. How do you feel about opening National Parks in Alaska and the lower forty-eight states to sport hunting?

Answer: National Parks have been established to conserve and protect natural resources, including wildlife. In the vast majority of our National Parks in the lower 48 states, all hunting is prohibited. I would oppose efforts to eliminate such prohibitions. In Alaska, many National Parks that are closed to sport hunting are open to subsistence hunting by local rural residents. I will not initiate any proposals to open such areas to sport hunting. If legislative proposals are put forward, I would examine them closely and make recommendations to the Congress based on factors such as conservation of wildlife resources, protection of park values, and the importance of the area to sport hunters prior to its having been designated as a National Park.

RESPONSE TO QUESTIONS FROM
SENATOR JOHNSTON

77. What do you think about the concept of converting the Land and Water Conservation Fund and the Historic Preservation Fund into trust funds so that the OCS revenues currently earmarked for these funds can be invested, the interest made available for appropriation, and the principal left undiminished?

Answer: As I told Senator Bumpers during my confirmation hearing on February 1, I remain a strong supporter of both the Land and Water Conservation Fund and the Historic Preservation Fund, and believe that some stability and certainty in these funding sources would facilitate future planning efforts.

However, my consideration of this concept would have to depend upon the size of the converted fund. At the end of fiscal year 1985, the unappropriated balance for the Land and Water Conservation Fund and the Historic Preservation Fund will total $4.736 billion. Considering our deficit reduction goals, it is doubtful that at this time I could recommend placing this amount in trust.

78. What is your view on the establishment of a new state grant program to permit state and local governments to acquire important wetland habitats?

Answer: If the important problem of wetlands loss is to be addressed fully, federal efforts alone are not sufficient; state and local governments and the private sector also must participate in wetlands conservation. I believe there are many ways to encourage this widespread participation, one of which could be a grants program. In the last Congress, I understand the Administration supported the concept, contained in the Emergency Wetlands Resources Act as reported by the Energy and Natural Resources Committee, to authorize state grants to encourage wetlands conservation. If confirmed, I would continue to support the Department's commitment to wetlands conservation. However, any funding requests for a state grants program would have to be considered in light of other budget priorities and efforts to reduce the federal deficit.

79. Do you support legislation to limit or restrict severance taxes imposed on the production of coal, and oil and gas from onshore Federal lands? Please explain your answer.

Answer: I do not support such legislation. Historically, severance taxes have been a state prerogative, and I am not persuaded that the federal government should regulate this matter of state concern.

80. What is your view of Federal legislation to facilitate the development of coal slurry pipelines?

Answer: I believe the availability of competing forms of transportation is important to the development of our domestic energy resources. In the past, lack of consensus in regard to provisions relating to eminent domain and water rights issues hampered legislative efforts. Should legislation in support of coal slurry pipelines be introduced in 1985, I would support such legislation and be willing to assist in seeking satisfactory treatment of the eminent domain and water rights issues.

81. On January 14, Secretary Clark was given a Decision Memorandum from the Assistant Secretary for Land and Minerals Management relating to the Department's interpretation of section 3 of the Federal Coal Leasing Amendments Act (section 2(a)(2)(A) of the Mineral Leasing Act of 1920).

This provision prohibits the Secretary from issuing a Federal lease for any leasable mineral under the Mineral Leasing Act of 1920 to a lessee who has held a Federal coal lease for 10 years with producing coal in commercial quantities. In its regulations, the Department defines "commercial quantities" as 1 percent of the recoverable reserves under lease.

The Decision Memorandum in question presents eight options for the Secretary to consider the Department's interpretation of section 3. These range from whether to wait for legislative action, to whether the Department should distribute guidelines on section 3 to the BLM field offices with or without a formal Solicitor's opinion, and with or without publication in the Federal Register for public comment.

- Are you familiar with this Memorandum and the options it outlines, and if so, do you know whether a decision has been made on which option to pursue?

Answer: I am generally familiar with the provisions of Section 3 of the Federal Coal Leasing Amendments Act. However, I am not familiar with the Decision Memorandum referred to in this question, other than being aware of its existence. My understanding is that, based on internal review, that Decision Memorandum is being, or has been, revised and that a Secretarial decision will await rendition of a formal legal opinion by the Solicitor.

82. In the case of Arkla Exploration Co. v. Watt, Arkla challenged the validity of oil and gas leases issued non-competitively to Texas Oil and Gas Corporation (TXO) on 33,000 acres of land within the Fort Chaffee Military Reservation by the Department of the Interior. The U.S. District Court for the Western District Court of Arkansas held that the Secretary's determination of a Known Geologic Structure was made improperly, and therefore, the leases issued are invalid. An appeal of the case followed in which the U.S. Court of Appeals upheld the District Court's ruling. Recently, the U.S. Supreme Court denied a request by TXO to review the Federal Court ruling. This decision implies that the Department's procedures are not consistent with the Mineral Leasing Act of 1920.

- If confirmed, will you revise Department regulations for onshore oil and gas leasing to ensure that they are consistent with current law?

Answer: This is a priority issue that I intend to review upon confirmation. Following that review, the Department will propose any appropriate regulatory changes.

83. The Surface Mining Act of 1977 contains a clause known as the "grandfather exemption". This clause exempts mines that existed prior to August 3, 1977 from meeting the prime farmland soil reconstruction, permitting and bond release standards of the Act. Many argue that the Department has liberally interpreted this provision in its prime farmland regulations. The result is that less acreage is subject to the prime farmland standards established by the Act than was originally intended by Congress.

- Do you have any intention of reviewing the regulations on prime farmland?

Answer: I am advised that, in July 1982, the Department attempted to impose a cutoff date for application of the prime farmland "grandfather exemption." A federal court overturned that effort and ruled that the Surface Mining Act does not authorize any regulation terminating use of the "grandfather exemption." Thus, it does not appear that a further review of these regulations implementing the "grandfather exemption" would be productive.

84. The Office of Surface Mining has failed in its mandate to enforce the Surface mining law. Most people agree that this is not a result of defects in the law, but rather a result of mismanagement and a lack of stability in the agency.

- If confirmed, what do you plan to do to stabilize and revitalize OSM? With respect to pending court challenges to the Department's surface mining regulations, will you try to settle major differences out of court with the industry, environmentalists, and other affected parties?

Answer: I understand Secretary Clark has taken steps to fill the top management vacancies in the Office of Surface Mining. If confirmed, I will expect the OSM managers to review the concerns expressed by you and others and to implement necessary steps to address those concerns.

As a general policy, I strongly favor out-of-court settlemnts. In particular, I support Secretary Clark's initiative to work with all interested parties to settle out of court the regulatory issues raised in the Permanent Surface Mining Regulation case.

85. In your statement, you pledge to "not permit development activities such as mining, drilling or timber harvesting in the national parks." What authorities are available to you as Secretary to permit such activities in national parks even if you wanted to develop them? Aren't you really just telling the Committee that you plan to obey the law with respect to development in the national parks?

Answer: The purpose of my statement was to assure the Committee in straightforward terms not only of my commitment to comply with the law, but, also, to express my personal policy on this subject.

86. I am also interested in your statement about development activities in wilderness areas. Except for valid existing rights, which I assume you are not planning to extinguish, I am unaware of any statute that would give you the authority to permit mining, drilling or timber harvesting in wilderness areas. Aren't you again simply telling the Committee that you have no intention of violating the law?

Answer: The purpose of my statement was to assure the Committee in straightforward terms not only of my commitment to comply with the law, but, also, to express my personal policy on this subject.

RESPONSE FROM QUESTIONS FROM
SENATOR JOHNSTON

87. On page 10 of your statement, you say that it makes no sense to spend billions of dollars each year for imported oil and on defense to protect our Middle East oil supply "while we foreclose access to what should be recoverable domestic energy resources." Are you suggesting that our dependence on imported oil would cease if those lands currently off limits to oil and gas production (parks, wilderness areas, etc.) were opened to such activities?

Answer: No. My reference to recoverable domestic energy resources was only to those resources on or under the multiple-use onshore lands and on the Outer Continental Shelf.

As I stated in my testimony, the United States Geological Survey estimates that about 60 percent of the crude oil yet to be discovered in America is likely to come from these public lands, 60 percent of that from offshore drilling. Similarly, 50 percent of the natural gas, 35 percent of the coal, 80 percent of the oil shale, nearly all of the tar sands, and substantial portions of uranium and geothermal energy are on or under the public lands. This is the energy supply potential that could increase our energy independence and improve our national security if we wisely provide access to these resources, with full environmental safeguards.

Again, as I said in my testimony, if confirmed, I will not consider, I will not support, and I will not permit development activities such as mining, drilling, or timber harvesting in the National Parks or on Wilderness lands.

88. Last year you and Secretary Clark, Secretary Regan and OMB Director David Stockman signed a letter indicating your opposition to the OCS revenue sharing legislation. As Secretary of the Interior, would you be willing to reconsider your opposition to that legislation, which has been introduced this year as S. 55 and H.R. 5? What is your current view of that legislation? Would you by March 1, 1985, be willing to suggest changes in S. 55 which you think might make this legislation acceptable to the Administration?

Answer: The Administration has reviewed this year the issue of OCS revenue sharing. We have concluded we must oppose any such legislation at this time. While I consistently have supported revenue-sharing legislation in principle, I presently know of no changes in the pending legislation which, in view of the current budget situation, would make such legislation acceptable to the Administration.

89. The OCS leasing program has been marked in recent years by bitter acrimony between the Federal government, the States, and environmental groups. The OCS leasing moratoria in appropriation bills are evidence of some frustration on the part of the States and environmental groups. What steps would you follow as Secretary of the Interior for reducing this acrimony without crippling OCS future production?

Answer: I believe the OCS leasing program should minimize conflicts with state and other interests. I am committed to a rational program based on national needs, industry interest, and environmental protection. I do not believe that Congressional moratoria in appropriation bills are a sound approach to designing an offshore leasing policy and, if confirmed, I will try to ensure that the Interior Department's OCS pre-lease negotiation process is adequate to ensure that all resource values and Department of Defense needs properly are considered and protected in specific areas and that we continue negotiations with the appropriate Congressional, state, and local officials so we will be in a position to agree that blanket OCS moratoria no longer are necessary.

90. What explanation do you have for the recent, large decrease in OCS Federal revenues? We understand that Federal OCS revenues in FY 1985 were $10.5 billion. For FY 1984 they were only $6.7 billion. Do you expect this downward trend to continue?

Answer: OCS revenues were down from 1983 and 1984. I believe they may continue to decline for several reasons:

- for many planning areas the better prospects have been offered and leased in past sales, and companies now are having to bid on deeper, more remote tracts which will be more expensive to develop and on more subtle prospects which have a higher risk of drilling dry wells;
- future oil price expectations have declined materially over the past four years which has reduced anticipated future profits and, therefore, bids;
- exploration in many frontier areas so far has been disappointing. I am advised that, despite bids of nearly $11 billion in the Atlantic, Eastern Gulf of Mexico, and offshore Alaska, drilling results to date in these areas only have netted one producible discovery -- an offset well from a state lease in the Beaufort Sea; and
- in several areas there is uncertainty about whether leases can be obtained in a reasonable time, or at all.

91. What are your views on the legislative effort in the last Congress regarding OCS consistency legislation, that is, the effort to overturn the Supreme Court's decision in Secretary of Interior v. California? Do you see any steps that you can take in the DOI to blunt the desire for such legislation?

Answer: Legislation overturning the Supreme Court's decision would subject the OCS leasing program to the veto of individual states. In my view, such actions are unnecessary and inappropriate since the Department has multiple statutory requirements for consultation and coordination with state governments, including consideration of their coastal zone management programs. I hope diligent consultation with the states that demonstrates the Department's sensitivity to state concerns would satisfy proponents of such legislation that it need not be enacted.

92. Atchafalaya Basin - What are your plans with respect to the funds, Mr. Secretary? Rumors have reached my office that you will submit a reprogramming request for between $5 and $7 million of the $10 million we appropriated last summer for Atchafalaya for BLM firefighting activities. Is such a plan now being developed?

Answer: It is my understanding that the Department is preparing a reprogramming proposal along the lines you have indicated based upon consideration of what monies can be spent. If confirmed, I will review this matter personally to seek to avoid reprogrammings which inappropriately prevent the Department from carrying out its responsibilities.

93. Louisiana wildlife and fisheries officials have identified over 20,000 acres in the Basin which would be appropriate for federal acquisition and gave this information to U.S. Fish and Wildlife Service representatives over a month ago. However, no funds have been spent as of today to begin any appraisals of any of the tracts identified. When do you plan to begin appraising these tracts? How many acres will be appraised?

Answer: I am told that the Fish and Wildlife Service is in the process of letting a contract for appraisal of approximately 10,000 acres in the Atchafalaya Basin during fiscal year 1985, and understand the contract will be let in approximately two months.

94. Is it not true that, if appraisals are begun now, all funds we appropriated could be spent in this fiscal year, assuming of course that these funds are not reprogrammed to another account?

Answer: Yes, I think that you are correct, assuming that agreement can be reached on price and technicalities regarding mineral estates.

95. Will you look into this important matter, Mr. Secretary, and give me a report on the status of these issues, designate a contact person with whom I and the state of Louisiana can work on needed coordination, and direct your staff to consult with me prior to a reprogramming submission?

Answer: Yes.

RESPONSE TO QUESTIONS FROM
SENATOR JOHNSTON

96. Jean Lafitte National Historical Park - Do you think it would be a good idea to set a time limit on Department reviews of offers which exceed the approved appraised value and would you be willing to issue a directive to Department personnel requiring action within, say, two weeks for any offer which the Regional Office has approved which is 25% or less above the appraisal?

Answer: Delays in acquiring land in any case where the Department's intent to purchase is clearly established is of great concern to me because of its effect on the landowner. I am not sure that merely establishing a Departmental time frame for review of "over appraisals" is enough. The issue raised by this question is deserving of prompt Departmental action to ascertain and to address the causes of such delays -- which action I will seek, if confirmed.

97. Do you believe Washington Review (beyond the Washington Land Acquisition Office of the National Park Service) is necessary for every offer which exceeds the approved appraised value, or is there some cut-off point at which Regional Office approval should be sufficient, with the Washington office simply coordinating submissions to the Hill within a set time of say 5 working days?

Answer: In my view, the issue of "over-appraisals" is a highly complex one that is not necessarily resolved by establishment of a fixed time schedule such as that mentioned in this question. Because I believe that lands appropriate and authorized for acquisition for National Parks should be acquired expeditiously, it is incumbent upon the Department to bring together representatives of the conflicting interests to try to resolve the problems on over-appraised lands.

98. Please submit for the record a chart containing the following information for the record:

a. How many offers above the approved appraised value the Washington office received from Regional or local NPS officials since 1982;

b. By how much each offer exceeded the approved appraised value;

c. How many of these were submitted to the Hill and how long it took to submit each one from the day of receipt to the day of submission including the day each division within the Department received it and completed action on it -- where it went and when in each stage of the Department review process;

d. When the offers expired, whether any of the offers expired before submission, whether any expired while the Congress was considering them (and when they were submitted), and if any expired whether they were successfully or unsuccessfully renegotiated (and if successful, by how much the new offer exceeded the approved appraised value);

e. How many purchases were made as a result of litigation and by how much the court award in these cases exceeded the approved appraised value;

f. And how many tracts were not purchased because the offers were not submitted to the Congress by the Washington office.

Answer: The Department advises that the information requested is not currently available. If confirmed, I will direct departmental officials to complete the analysis requested.

99. Would you please provide me with a timetable for completing review of the 5 Jean Lafitte Tracts, setting forth the date you expect to submit them to the Committees on Appropriations for review? I would also appreciate your staff advising me in the future when NPS receives an offer exceeding the approved appraised value, and when it is submitted to the Assistant Secretary of the Budget Office or whoever is in charge, when those officials expect to complete, and do complete their review in the future so that I can try to keep track of the process on this park.

Answer: I understand the referenced Jean Lafitte tracts are among those lands tied up in the over-appraisal problem discussed earlier. If confirmed, I will move promptly to bring together the various interests to seek a solution.

REPONSE TO QUESTIONS FROM SENATOR BUMPERS

100. Would you place a high priority on implementing a substantive program for mitigating the adverse impacts of existing commercial uses and requesting funding and personnel needed to help eliminate the thousands of threats to National Wildlife Refuges documented in the FWS's 1982 survey? Also, if confirmed, would you withdraw the July 1982 instructions to increase commercial development on refuge lands?

Answer: I understand the Fish and Wildlife Service has begun a program to eliminate or ameliorate some of the resource problems identified in the 1982 survey of National Wildlife Refuges. The Department advises that the Accelerated Refuge Maintenance Management (ARMM) Program, initiated in fiscal year 1984 with funding of $14.6 million and increased in fiscal year 1985 to $15.9 million, addressed many of the problems identified in the survey. In fiscal year 1985, Congress appropriated an additional $8 million specifically to address resource problems.

I understand further that a plan is being prepared by FWS which will provide me the occasion, if confirmed, to review all major policy instructions directly affecting the National Wildlife Refuge System. The July 1982 instructions will be reviewed as part of that process.

101. While you were at the Department of the Interior, Secretary Watt initiated a program to open over one million acres of refuge lands to oil and gas leasing. Congress prevented him from following through with this program by attaching a rider to the appropriations bill specifically prohibiting the spending of funds on this program. Secretary Clark stated that he would not follow through with this program during 1984. In light of Congressional and public opposition to the opening of these refuge lands to oil and gas, if you are confirmed, would you specifically direct that this program not be implemented?

Answer: It is my intention to continue Secretary Clark's policy.

102. The Washington Post reported Wednesday that the Department will be reviewing 5,811 fulltime positions in FY'85 and another 5,811 positions in FY '86 to determine whether they can be turned over to private contractors under the terms of the OMB Circular A-76.

a. What will be your policy on OMB Circular A-76 reviews in the Fish and Wildlife Service, the National Park Service, and the Bureau of Land Management?

b. Will you divert funds from important administrative and program activities to conduct A-76 reviews?

c. How will your policy relate to the implementation of recently-passed Public Law 98-540, which place prohibitions and restrictions on the Department's ability to contract out activities?

Answer:

a. I am informed that management studies, or productivity reviews as they are now being called by OMB, are planned to be conducted by these bureaus. In all cases, the goal of such reviews will be not to see how many activities can be performed by contract, but to determine how to improve program effectiveness as well as overall efficiency. I would expect that management savings generally would be realized by Department bureaus as a result of the close look at operations entailed in the productivity reviews.

Also, please see answer (c).

b. I would not expect this to be the case. Such performance and productivity reviews are a part of normal operating procedures and should be accomplished without compromising other programs. I generally consider the efforts to improve productivity not as a diversion of funds, but rather an application of funds to do the job more effectively with a net gain, over time, to the Government.

c. We will comply in all respect with Public Law 98-540 and will respect Congressional interest in the possible implementation of any contracting proposed by a particular A-76 or productivity review.

103. Land acquisition through funds appropriated from the Land and Water Conservation Act has been very important in acquiring land for the National Wildlife Refuge System, by providing habitat for endangered species and other wildlife which are being pushed out of their home areas as private land is developed. Over three years Secretary Watt requested only $2.7 million for refuges. Secretary Clark requested substantially more last year. What are your plans? Will you be following the Watt or the Clark policy?

Answer: I am told that substantial progress has been made in acquiring important wildlife areas with recent appropriations. This Administration supports the preservation of important fish and wildlife habitats. Although the fiscal year 1986 budget requests no additional money for federal land aquisition through the Land and Water Conservation Fund, the substantial funding provided in fiscal year 1985 will allow the Department to continue this significant activity.

104. Mr. Hodel, one of the most devastating effects of ANILCA is the land exchanges which have been proposed during this Administration. Legislative history indicates that the intended use of the land exchange provision was to provide flexibility for obtaining inholdings within public land units in Alaska. The Interior Department's use of this provision and the boundary adjustment provision flies in the face of the intent of Congress and as shown by the St. Matthew decision is contrary to the law itself. I understand that Mr. Udall has recently sent a letter to you, Secretary Clark, and Secretary Block indicating that several proposed exchanges should be brought to Congress as intended by the Act. Will you support a commitment to no further land exchanges involving wilderness, refuges, or parks without express Congressional approval?

Answer: I understand the Department has executed a number of land exchanges using the ANILCA authority and only one -- the St. Matthew exchange -- has been challenged. I am informed that the Appropriations Committee of the Senate has urged the Department to continue to use actively the broad land exchange authorities contained in ANILCA. Although the Act does provide broad authority to exchange administratively conservation system unit lands, I believe the Department carefully should review such exchange proposals and not act unless clearly persuaded that the exchange would benefit our National Park, National Wildlife Refuge, or Wilderness systems and that the essential integrity of any unit of these systems will not be impaired.

105. An argument often used for justifying this agreement between USF&WS and ADF&G is that the F&WS does not have enough personnel in Alaska to take care of these lands. Will you support increased F&WS personnel to manage these lands?

Answer: I am advised that the Fish and Wildlife Service's Alaska budget has increased significantly during the past four years. I am informed that the present budget enables the Service to fulfill its responsibilities to conserve the resources of the Refuge system. I would be prepared to support additional funding if necessary to ensure that the Service's responsibilities under the law were carried out.

106. In stark contrast to the lack of funding for the Park Service and the Fish and Wildlife Service, the Department of the Interior's FY 83 budget requested $9.4 million for the assessment of Alaska's mineral resources mandated by ANILCA. This budget request was $1 million more than the total budget for the planning activities of all other federal land agencies combined in Alaska. Yet this assessment has no deadlines to meet, no programs to implement, and no plans to prepare. Mr. Hodel, do you think this budget request is warranted for a program whose only responsibility is to report to Congress once a year?

Answer: The Alaska Mineral Resource Assessment Program (AMRAP) was commenced during the Carter Administration with the goal of providing basic mineral mapping of Alaska. I am advised that this program has been continued during this Administration at essentially the same budget levels provided by the Congess in the late 1970's. It is my understanding that the mapping program will be completed in the early 1990's.

107. How can the comprehensive refuge plans and wilderness reviews mandated by the ANILCA be completed in a timely and comprehensive manner when these agencies continue to be chronically underbudgeted and understaffed? (In fact, refuge planning is currently behind the Congressionally established schedule - five refuge plans should have been completed by December 2, 1983, yet none are finished.) Will you ensure that Inter 's budget provides for the necessary budget and staff?

Answer: The Department's staff informs me that the comprehensive conservation plans for the Wildlife Refuge units in Alaska will be completed on schedule and that any delays encountered to date were the result of the Department's special efforts to provide for extensive public participation in the planning process. These plans should be thorough and should fulfill the specific requirements outlined in Title III of ANILCA. I will attempt to assure that the Department will take the necessary steps to ensure that these important plans are completed in accordance with statutory requirements.

108. Mr. Hodel, the Alaska Lands Act increased refuge lands in Alaska by 350 percent. Yet, there has been only a 50 percent increase in the total field staff, leaving each F&WS field professional in Alaska to manage approximately 2 million acres of refuge lands and deal with widespread uses intrinsic to Alaska such as subsistence hunting and gathering. Will you support increases in the F&WS budget and personnel ceilings to provide more refuge field personnel in Alaska?

Answer: I will support the level of funding necessary to ensure that the Service's responsibilities under the law are fulfilled and that the natural resources of the Refuge system are conserved.

109. Mr. Hodel, a 1982 Memorandum of Understanding between the F&WS and the Alaska Department of Fish and Game (ADF&G) provides ADF&G with broad management authority over F&WS lands and resources. This particular Memorandum is a major departure from past policy. In fact, it gives much broader authority to the State Fish and Game Department than any of the Memoranda of Understanding between other states and the F&WS and Park Service. The Memorandum leaves an agency (ADF&G) with different management goals managing F&WS lands. Do you believe that Interior must return responsibility for wildlife management of National Wildlife Refuges to the U.S. Fish and Wildlife Service?

Answer: Section 1314 of the Alaska Lands Act expressly provided that the traditional relationship of the state and federal governments was not to be altered by the creation of the Refuges in Alaska (i.e., the state manages the taking of fish and wildlife resources and the federal government manages the habitat). I am informed that the Memorandum of Understanding between the Fish and Wildlife Service and the Alaska Department of Fish and Game merely implements Section 1314. The Department's staff informs me this Memorandum of Understanding is essentially the same as other memoranda executed between the Service and other state fish and game agencies.

110. Mr. Hodel, would you support a program of identifying BLM lands in Alaska to be exchanged in order to acquire lands which provide a benefit to the Refuge and Park Systems? This was one of the intended uses of BLM lands, rather than using conservation system units to acquire lands which provide a benefit to the Refuge and Park Systems. (Secretary Watt issued a directive that stated that BLM lands could not be used for these exchanges.)

Answer: I am unaware of any directive that BLM lands in Alaska cannot be used in exchanges to acquire Park or Refuge lands. In fact, I am informed that the highly scenic Kurupa Lake area was added to the Gates of the Arctic National Park and preserve in exchange for BLM lands. The availability of BLM lands for use in exchanges should be determined on a case-by-case basis.

RESPONSE TO QUESTIONS FROM SENATOR FORD

I am concerned by the possibility that the Office of Surface Mining may promulgate a Federal program for the regulation of surface coal mining and reclamation operations in the State of Kentucky.

111. If OSM withdraws its approval of Kentucky's regulatory program and suspends its Abandoned Mine Land Reclamation Plan, what will happen to the reclamation fee monies that have been collected, to date, from mining activity on lands within Kentucky? Specifically, would my state continue to receive its 50 percent share provided for under Title IV of the Surface Mining Control and Reclamation Act of 1977?

Answer: The determination of whether there should be withdrawal of primacy from any state involves lengthy informal exchanges and formal procedures, and may result in the use of much narrower remedies than removal of primacy. However, should OSM actually establish a federal regulatory program for the state, I am advised that Kentucky would not be eligible to receive abandoned mine land (AML) grants until it regained primacy and had an AML program approved.

In accordance with the requirements of the Act, OSM would continue to allocate fifty percent of the funds collected from Kentucky operators to that state's share of the overall AML fund. Depending on the progress made by the state in regaining primacy, any funds which are not expended within three years of their allocation to a state share account may be diverted to any eligible project without regard to location.

112. What is the average length of time it takes to complete the mine permitting process pursuant to a Federal regulatory program?

Answer: The amount of time required to permit an operation varies according to the size and complexity of the mine and whether an environmental impact statement (EIS) is required under the National Environmental

Policy Act. The statute requires a minimum of 51 days for public participation. The Department's staff advised me that, for most small mines in a federal program state, if an EIS is not required, the permit decision would generally be made within four months of receiving a complete permit application.

113. Is this period of time longer than the average time it takes under most state programs to complete this same permitting process? (The Kentucky program completes this process in no more than 60-90 days. How does this compare to the delays in permitting under a Federal program?)

Answer: It is my understanding that the permitting process under a federal program takes slightly longer than under many state administered programs. This is primarily due to the additional federal laws and regulations with which the Office of Surface Mining must comply. For example, fulfilling requirements of the National Environmental Policy Act may add several weeks to the processing of a small-to-moderate-size mine. If an environmental impact statement is required, the process takes considerably longer.

114. How would you expedite the permitting process under a Federal program?

Answer: I am concerned that the permitting process under a federal program be as efficient as possible to reduce delays encountered by small operators. I will ask the Office of Surface Minimg (OSM) to explore new ways to improve the permitting process. The OSM staff advised me that it is now trying new procedures in several areas of the office's permitting process that could improve the process.

RESPONSE TO QUESTIONS FROM
SENATOR FORD

115. One of the shortcomings attributed to the Kentucky regulatory program by OSM was its shortage of inspectors to ensure compliance with the program. The Agency concluded that the State should have 408 employees. Does this mean that the Department contemplates hiring 408 Federal employees to carry out a Federal regulatory program? If not, why not? If so, does the Department intend to request additional funding in the FY 1985 to cover this expense?

Answer: I am informed that, when the Kentucky regulatory program was approved, the Secretary of the Interior also approved the state's proposed staffing level of 408 people. After a state has obtained primacy, it is my understanding the Department only makes judgments on staffing needs based on actual performance of the state regulatory authority. I am advised the Office of Surface Mining's annual oversight report identified several specific problems in Kentucky attributed to a shortage of staff. Accordingly, the Department recently denied Kentucky's proposal to reduce this staffing level because of identified problems which the state was encountering in implementing its program.

I also am advised that, in the event Kentucky fails to continue its progress in resolving its problem, the Department must undertake certain procedures to determine what action to take. Should this process result in the determination that primacy should be withdrawn, I am told that the Office of Surface Mining probably would need to hire additional people. The exact number would depend on the existing OSM workload. Because this process would take time, I am told it is extremely unlikely that additional funding would be required in the FY 1985 budget.

RESPONSE TO QUESTIONS FROM
SENATOR FORD

116. What happened in the case of Tennessee? Where did OSM get the inspectors for a Federal program?

Answer: I am advised that, because of the special reprogramming authority provided to the Office of Surface Mining through Section 102 of the special provisions of the Interior and Related Agencies Appropriations Act, OSM did not need an immediate appropriation to finance its actions in Tennessee and that adequate unused funds were made available from other sources. I am informed that OSM hired additional inspectors for the Tennessee program through the normal competitive process.

117. I am interested in the question of who will bear the cost of the permitting process and mine plan review? There has been talk of requiring the State to assume the costs of permitting and inspection, even under a Federal program. What is your view of this proposal?

Answer: I have been informed that OSM is developing a regulation requiring permit applicants to pay the cost of reviewing and issuing a permit wherever OSM is responsible for the permit process. Although this rule would not apply to permit fees for state-issued permits, I understand that the General Accounting Office has recommended that OSM require states to recover their program costs through fees. I understand that the Congress is considering this recommendation. I believe that certain aspects of this proposal deserve more attention, particularly with respect to their economic impact on small operators.

RESPONSE TO QUESTIONS FROM SENATOR LEVIN

118. The Picture Rocks National Lakeshore in Michigan requires the development of a local land use plan and zoning regulations for the inland buffer zone. In the past, the Interior Department has taken the view that it should not be involved in approving such plans. Do you share that view? The Department has also in the past suggested action by Congress in this regard is unnecessary. Does the Park Service have zoning authority within the buffer zone area? Do you support alternative methods to condemnation for purposes of enforcing local land use decisions within the buffer zone?

Answer: In principle, I do not believe the Federal Government should be involved in local land use planning and local zoning regulations. I understand, however, that the Department is working with local governments, at their request, to achieve clear and enforceable standards for land use in the buffer zone around The Picture Rocks National Lakeshore. I also understand that the Department may use condemnation if necessary. I strongly believe that alternatives to condemnation should be sought, to avoid unnecessary, expensive and prolonged federal acquisition.

119. As you may be aware, there is still land authorized by Congress to be purchased within the boundaries of Sleeping Bear Dunes National Lakeshore. By what date do you expect all of these land transactions to be completed?

Answer: I am advised that acquisition cannot be completed at Sleeping Bear Dunes National Lakeshore until all court actions have been concluded. My information is that approximately 15 separate actions have been pending in the courts for over 5 years, which makes it difficult to predict when these actions will be resolved.

RESPONSE TO QUESTIONS FROM
SENATOR LEVIN

120. Secretary Watt transferred lead agency responsibilities for the Artic National Wildlife Refuge from the Fish and Wildlife Service to the U.S. Geological Survey. If there is a conflict between the seismic work the Geological Survey recommends be done and the recommendations by the Fish and Wildlife Service to protect wildlife in the Refuge, how would you resolve the issue?

Answer: The Fish and Wildlife Service is the lead agency in fulfilling the Department's responsibilities in the Arctic National Wildlife Refuge (ANWR) pursuant to section 1002 of the Alaska Lands Act. I am informed that the decisions regarding the permitted level of seismic work in the "1002 area" of ANWR have been made by the Alaska Regional Director of the Fish and Wildlife Service, a process I support.

121. Since the Department of the Interior has determined that the Fish and Wildlife Service is not bound to protect the wildlife characteristics of the Arctic Refuge, what standards do you believe are appropriate for protection of this resource?

Answer: The Alaska Lands Act requires the Department to assess the oil and gas potential in the Arctic National Wildlife Refuge. Section 1002 of that Act established the conservation standard that governs assessment activities: they cannot "significantly adversely affect the fish and wildlife, their habitats, or the environment." I am advised that this standard is being rigorously applied by the Fish and Wildlife Service. As Secretary, I would support such rigorous application.

122. Do you intend to have the Department of the Interior assume a leadership role in eliminating use of toxic lead pellets in waterfowl hunting nationwide by 1990?

Answer: I understand that the Department, through the Fish and Wildlife Service (FWS), is taking a leadership role in working with the states, flyway councils, and interest groups in resolving this longstanding controversy. For example, I am told, the Service is working with state fish and wildlife departments and the flyway councils to develop ways to identify non-toxic zones for waterfowl. Lack of these criteria has been a concern to many in the past, and I have been informed that final criteria should be adopted this year. I have been told that the FWS also will update information in a 1976 environmental impact statement on the use of non-toxic shot for waterfowling and that a research plan is being developed to study further issues.

In addition, I understand the FWS is developing a plan to present factual information about lead and steel, the criteria for requiring non-toxic shot, and how these criteria will be applied in specific areas. I am advised that the plan should be completed this month.

RESPONSE TO QUESTIONS FROM SENATOR METZENBAUM

123. What is your position on funding the Fish and Wildlife Conservation Act of 1980? Will you take a lead role in reauthorizing the Act this year? If you support an excise tax, what do you see as the most appropriate funding source?

Answer: I understand that, in compliance with Section 12 of the Fish and Wildlife Conservation Act of 1980, the Fish and Wildlife Service will submit copies of the report entitled "Potential Funding Sources to Implement the Fish and Wildlife Conservation Act of 1980" early this month. In my view, it would be premature for the Administration to take a position on reauthorization of the Act until such time as the Congress has reviewed the report detailing the sources of funding that were studied and has evaluated the alternatives.

Given the present budget situation and Administration policies on federal spending and taxation, I believe we should encourage the states, which have primary jurisdiction over much of the nongame resource, to expand their conservation efforts with state-generated revenues. I am informed that almost two-thirds of the states have made major advances in this area through an income tax check-off, earmarking of sales tax revenue and other innovative programs that can serve as worthy models for other states.

124. Do you think it makes sense for the Bureau of Reclamation -- and by extension U.S. taxpayers -- to subsidize irrigation projects that provide water to grow surplus crops that, in turn, are repurchased by the U.S. through agricultural support programs?

Answer: No, I do not. The Department advises that projects authorized for construction since the early 1950's are prohibited from furnishing federal reclamation irrigation project water to newly irrigated land for the production of any basic agricultural crops which are in excess supply. Such commodities are defined in the Agricultural Act of 1949 as ". . . corn, cotton, peanuts, rice, tobacco, and wheat, respectively." I am advised that the criteria for determining total supply of such a commodity for the marketing year in which the bulk of the crop normally would be marketed and which would be in excess of the normal supply are set forth in section 301(b)(10) of the Agricultural Adjustment Act of 1938. In most cases, the restriction applied for a 10-year period from the date of project authorization; however, for the Navajo Indian and San Juan Chama projects the restriction was imposed for a period of 10 years after completion of construction, and for the San Luis Unit, Central Valley Project, the restrictions applied indefinitely.

The above criteria for determining surplus crops were used by the Department of Agriculture until 1977, when they were suspended by criteria set forth in the Food and Agriculture Act of 1977. As a result, I am advised, the Bureau of Reclamation received conflicting determination of crops in excess supply resulting from the difference between the 1938 criteria, which must be used for Bureau of Reclamation projects because of the authorizing language, and the criteria used by the Secretary of Agriculture in making set-aside determinations. I believe legislation was introduced in the 96th Congress to resolve this conflict, but that no further action was taken.

I am advised that enactment of the Reclamation Reform Act of 1982 (P.L. 97-293) provided uniformity to the length of time the restriction would be applied. Section 222 of that Act provides that, in the case of Bureau of Reclamation projects authorized before the date of the Act, any restriction prohibiting the delivery of water for the production of excess basic agricultural commodities would extend for a period no longer than 10 years from the date of initial project authorization. It also required the Department of Agriculture to prepare a report on the production of surplus crops on Bureau of Reclamation project areas. I understand this report was submitted to Congress in early 1984.

125. In your statement you say that you are commited to developing "much needed, environmentally sound and economically prudent water resource projects."

In your opinion, do all of the water projects currently funded by the Department of the Interior meet these criteria? If not, which ones do not and what do you intend to do about them?

Answer: I understand that all currently funded water projects have complied with the appropriate economic criteria of the Principles and Standards or the Principles and Guidelines and the National Environmental Policy act. As a practical matter, the Congress makes the final determination of the economic and environmental soundness of all water projects prior to their authorization and the appropriation of construction funds.

126. Does the Interior Department thoroughly explore the possibility of offsetting future water demand through water conservation programs? Does the Interior Department currently require implementation of water conservation programs as a condition of Federal subsidies for water projects?

Will you please provide me with a complete report of the Interior Department's efforts in this area?

Answer: Legislation basic to the federal reclamation program provides for interest subsidies and long-term payback of the federal investment and, in the absence of full cost pricing, it is necessary to consider water conservation programs. For example, economic sizing and design of water project storage and conveyance works always have required consideration of efficient use and conservation of water resources and the capture and use of return flows from water use as a part of the project water supply. The "Use of Water on Federal Irrigation Projects" studies by the Bureau of Reclamation, from 1964-1972, analyzed water use on some 300 farms in 18 study areas throughout the irrigated West and led to development of the Department's Irrigation Management Service Program (1972-1981) which evolved into the Water Management and Conservation Program (1981-Present).

The staff advises that, to further strengthen water conservation goals, the Department adopted a policy requiring a water conservation plan as a condition to water service in all contracts with terms longer than 5 years which have been entered into since July 17, 1979. The Reclamation Reform Act of 1982 (P.L. 97-293), Section 210 (b), requires: "*Each district* that has entered into a repayment contract or water service contract pursuant to Federal Reclamation law or the Water Supply Act of 1958, as amended (43 U.S.C. 390 b) *shall develop a water conservation plan* which shall contain definite goals, appropriate water conservation measures, and a time schedule for meeting the water conservation objectives." (Emphasis added) Attached is a copy of the Department's January 5, 1985, memorandum to the Bureau of Reclamation's Regional

Directors which reviews recent water conservation efforts of the Bureau and requires that these water conservation plans be ready for implementation by July 1, 1987.

ATTACHMENT TO THIS QUESTION 126 FOLLOWS

QUESTION 126 ATTACHMENT

United States Department of the Interior
BUREAU OF RECLAMATION
WASHINGTON, D.C. 20240

IN REPLY REFER TO: 400

JAN 5 1985

Memorandum

To: Regional Director, PN, MP, LC, UC, SW, UM, LM
Attention: 400
E&R Center, D-400

From: ACTING Commissioner

Subject: Water Conservation Plans - Policy for Implementation of Section 210 of Public Law 97-293 of October 12, 1982

The purpose of this memorandum is to provide guidance for implementation of water conservation provisions of the Reclamation Reform Act of 1982 (P.L. 97-293). Section 210 of the Act reads as follows:

> "(a) The Secretary shall, pursuant to his authorities under otherwise existing Federal Reclamation law, encourage the full consideration and incorporation of prudent and responsible water conservation measures in the operations of non-Federal recipients of irrigation water from Federal Reclamation projects, where such measures are shown to be economically feasible for such non-Federal recipients."
>
> "(b) Each district that has entered into a repayment contract or water service contract pursuant to Federal Reclamation law or the Water Supply Act of 1958, as amended (43 U.S.C. 390b), shall develop a water conservation plan which shall contain definite goals, appropriate water conservation measures, and a time schedule for meeting the water conservation objectives." (Emphasis Added.)
>
> "(c) The Secretary is authorized and directed to enter into memorandums of agreement with those Federal agencies having capability to assist in implementing water conservation measures to assure coordination of ongoing programs. Such memorandums should provide for involvement of non-Federal entities such as States, Indian tribes, and water user organizations to assure full public participation in water conservation efforts."

Part 426.19 of the rules and regulations for implementation of Section 210 addresses water conservation as follows:

QUESTION 126 ATTACHMENT

"(a) In general. The Secretary shall encourage the full consideration and incorporation of prudent and responsible water conservation measures in all districts and for the operations of all non-Federal recipients of irrigation water from Federal Reclamation projects."

"(b) Development of a plan. Districts that have entered into repayment contracts or water service contracts according to Federal Reclamation law including the Water Supply Act of 1958, as amended (43 U.S.C. 390b), shall develop a water conservation plan which contains definite objectives which are economically feasible and a time schedule for meeting those objectives."

"(c) Federal assistance. The Bureau of Reclamation will cooperate with the district, to the extent possible, in studies to identify opportunities to augment, utilize, or conserve the available water supply."

Prior to passage of the Reclamation Reform Act of 1982 and development of the attendant rules and regulations, the Commissioner by memorandum of July 17, 1979, advised each of the Regional Directors that standard water conservation language would be included in all future repayment and water service contracts in order to implement actions necessary to meet Department of the Interior water conservation goals. Standard language for inclusion in all new contracts was stated in that memorandum as follows:

"a. While the contents and standards of a given water conservation program are primarily matters of State and local determination, there is a strong Federal interest in developing an effective water conservation program because of this contract. The contractor shall develop and implement an effective water conservation program for all uses of water which is provided from, or conveyed through, federally constructed or federally financed facilities. That water conservation program shall contain definite goals, appropriate water conservation measures, and time schedules for meeting the water conservation objectives."

"b. A water conservation program, acceptable to the Contracting Officer, shall be in existence prior to one or all of the following: (1) service of federally stored/conveyed water; (2) transfer of operation and maintenance of the project facilities to the contractor; or (3) transfer of the project to an operation and maintenance status. The distribution and use of federally stored/conveyed water and/or the operation of project facilities transferred to the contractor shall be consistent with the adopted water conservation program."

QUESTION 126 ATTACHMENT

> Following execution of this contract, and at subsequent 5-year intervals, the contractor shall resubmit the water conservation plan to the Contracting Officer for review and approval. After review of the results of the previous 5-years and after consultation with the contractor, the Contracting Officer may require modifications in the water conservation program to better achieve program goals."

You should note that language used in the Reclamation Reform Act (part b), the rules and regulations (part b), and the July 17, 1979, policy memorandum (part a) is very much the same in that the districts (contractors) will develop a water conservation program (plan) that shall contain definite objectives (goals) which are economically feasible (appropriate water conservation measures) and a time schedule for meeting those objectives (goals). Given the similarity in requirements between our 1979 policy and the Reclamation Reform Act, each region should have already reviewed and approved district/contractor water conservation plans developed pursuant to provisions of contracts signed since 1979. Some regions may already have completed the 5-year review required. In effect, our current policy and procedures should meet requirements of the Reclamation Reform Act.

The one area possibly requiring additional regional attention would be Section 210(c) of the Reclamation Reform Act and appropriate rules and regulations. Close coordination with the States, State university agricultural schools, Department of Agriculture Extension Service, and Soil Conservation Service should be effected as these entities are all potential sources of current water conservation information, planning guidelines, and planning assistance to the districts.

In those States, such as Arizona and California, that have active water conservation programs, we will consider district water conservation plans that are approved by the State to satisfy our requirements for water conservation under the Reclamation Reform Act. We should encourage State assistance in the development of and pre- and post-implementation, monitoring, and review of the water conservation plans. We should encourage and assist States that do not have active programs to develop such programs and should work with the States and other entities to develop a program for sharing water conservation innovations and testing data with the water districts. Development of an effective working relationship with the States is mandatory since Federal policy recognizes State control of water rights. Recognition of State views will therefore be of utmost importance in development and implementation of district water conservation plans and, in future years, in the disposition to be made of water conserved by the plans. With respect to disposition to be made of water conserved, we should note that the Reclamation Reform Act requirement for water conservation did not alter in any manner the allowances and prohibitions contained in existing statutes, rules and regulations, and policies governing the types of use that could be made of Federal Reclamation project water.

In addition to our usual water service and repayment contracts we must consider application of the water conservation requirement to "paid out" projects and projects constructed under the Small Reclamation Projects Act of 1956 (SRPA). The water conservation plan requirement of the Reclamation Reform Act will not

QUESTION 126 ATTACHMENT

apply to either "paid out" projects or existing SRPA projects. However, water conservation plans will be required by the Commissioner's policy memorandum of July 17, 1979, for all SRPA projects for which contracts are signed after that date.

Some recognition should be made of the relationship between future water conservation requirements and past regional activities under the Water Management and Conservation (WMC) Program, previously Irrigation Management Services (IMS) Program, now in its 13th year. The WMC and IMS Programs evolved from the 1964-1972 "Use of Water on Federal Irrigation Projects" studies of the Bureau (from 1964 through 1972) in which studies were made of some 300 farms in 18 study areas throughout the irrigated West. As noted in the 1983 annual report for the WMC Program, in addition to 9 years of regional experience in the "Use of Water on Federal Irrigation Projects" studies, there have been 10 years of IMS and 3 years of WMC experience. This 22 years of study and program experience should have generated a wealth of usable water conservation data, in addition to trained staff in each region, that would be invaluable to meeting water conservation requirements of the Reclamation Reform Act.

Attached is a copy of the December 1984 "Guidelines for the Development of Irrigation Water Conservation Plans," prepared by the water conservation work group that was assembled soon after passage of the Reclamation Reform Act. These guidelines have been reviewed by your regions and should, in combination with your past efforts and the general direction provided by this memorandum, provide all of the guidance needed for you to secure from the districts, review, and approve the required water conservation plans.

We would like to have all water conservation plans approved by the Regional Director and ready to be implemented by July 1, 1987. As soon as you have completed your MBO plan for attaining this objective, including plans for necessary coordination with States and other entities and a water conservation data dissemination plan, please forward a copy to this office, Code 430, and the E&R Center, Code D-430. If possible, we would like a copy of your MBO plan by the end of February 1985.

We plan to include review of each district's water conservation plan as an item in the 6-year indepth Review of Maintenance Inspection. Interim progress monitoring can be performed by regional staff using water supply data that is already being prepared annually for inclusion in the project history.

Most of the questions that may arise relative to disposition of water "saved" by the district conservation plans should be answered by your review of project authorization and water rights language and a review of Reclamation law in existence prior to passage of the Reclamation Reform Act, since most provisions

QUESTION 126 ATTACHMENT

of prior laws governing water management and use on Federal Reclamation projects were not changed by inclusion of the water conservation requirement in the Reclamation Reform Act of 1982. If you have questions that are not resolved by your review, please forward them to this office, attention Code 430, for assistance.

(Sgd) Robert A. Olson

Attachment

bc: WO Codes 420, 430, 440
(w/c of attachment)

WBR:JCook/TSeldon:trj:12/18/84:x5104/5471
CPT:WP1,2,3,4,5

QUESTION 126 ATTACHMENT

GUIDELINES FOR THE DEVELOPMENT OF IRRIGATION WATER CONSERVATION PLANS

December 1984

United States Department of the Interior

Bureau of Reclamation

QUESTION 126 ATTACHMENT

CONTENTS

Page

LEGISLATIVE AUTHORITY. 1
  Public Law 97-293, "Reclamation Reform Act," Section 210, Water Conservation. 1
  Federal Register, Tuesday, December 6, 1983, Acreage Limitation: Rules and Regulations, Section 426.19. 1
  Standard Water Conservation Clause of Water Service Contracts. 2

INTRODUCTION. 3

SYSTEM INVENTORY AND EVALUATION. 4

PROBLEM AREAS. 5

CONSERVATION GOALS. 5

SELECTION OF ACTIONS. 6

IMPLEMENTATION ARRANGEMENTS AND SCHEDULES. 7

SOURCES OF TECHNICAL ASSISTANCE. 8

PLAN FORMAT. 9

CHECKLIST. 9

GLOSSARY. 13

REFERENCES. 23

QUESTION 126 ATTACHMENT

LEGISLATIVE AUTHORITY

These guidelines for the development of irrigation water conservation plans have been prepared by the Bureau of Reclamation for helping irrigation districts that must comply with section 210, "Water Conservation," of the Reclamation Reform Act of 1982 (P.L. 97-293). In October 1982, Congress and the President signed into law and enacted the Reclamation Reform Act. In December 1983, the Bureau of Reclamation issued final rules and regulations in the Federal Register to implement the provisions of the Reclamation Reform Act. In addition, the Bureau has developed a standard water conservation clause that is included in all new Federal water service contracts. These three items are listed below in complete and final form as they appear in the actual legal documents.

Public Law 97-293, "Reclamation Reform Act," Section 210, Water Conservation

"43 U.S.C. 390jj. Sec. 210

(a) The Secretary shall, pursuant to his authorities under otherwise existing Federal Reclamation law, encourage the full consideration and incorporation of prudent and responsible water conservation measures in the operations of non-Federal recipients of irrigation water from Federal reclamation projects, where such measures are shown to be economically feasible for such non-Federal recipients.

(b) Each district that has entered into a repayment contract or water service contract pursuant to Federal reclamation law or the Water Supply Act of 1958, as amended (43 U.S.C. 390b), shall develop a water conservation plan which shall contain definite goals, appropriate water conservation measures, and a time schedule for meeting the water conservation objectives.

(c) The Secretary is authorized and directed to enter into memorandums of agreement with those Federal agencies having capability to assist in implementing water conservation measures to assure coordination of ongoing programs. Such memorandums should provide for involvement of nonFederal entities such as States, Indian tribes, and water user organizations to assure full public participation in water conservation efforts."

Federal Register, Tuesday, December 6, 1983, Acreage Limitation: Rules and Regulations, Section 426.19

"Sec. 426.19 Water conservation

(a) In general. The Secretary shall encourage the full consideration and incorporation of prudent and responsible water conservation measures in all districts and for the operations of all nonFederal recipients of irrigation water from Federal Reclamation projects.

QUESTION 126 ATTACHMENT

(b) Development of a plan. Districts that have entered into repayment contracts or water service contracts according to Federal Reclamation law including the Water Supply Act of 1958, as amended (43 U.S.C. 390b), shall develop a water conservation plan which contains definite objectives which are economically feasible and a time schedule for meeting those objectives.

(c) Federal assistance. The Bureau of Reclamation will cooperate with the district, to the extent possible, in studies to identify opportunities to augment, utilize, or conserve the available water supply."

Standard Water Conservation Clause of Water Service Contracts

"(a) While the contents and standards of a given water conservation program are primarily matters of State and local determination, there is a strong Federal interest in developing an effective water conservation program because of this contract. The Contractor shall develop and implement an effective water conservation program for all uses of water which is provided from, or conveyed through, Federally constructed or Federally financed facilities for the Contractor's use. The original water conservation program shall specify definite objectives, appropriate existing and proposed water conservation measures including, but not limited to, changes in water uses and modifications in the design or operation of existing or proposed distribution systems, and time schedules for meeting the water conservation objectives.

(b) The original water conservation program shall be submitted to and approved by the Contracting Officer prior to one or all of the following: (1) service of Federally stored/conveyed water; (2) transfer of operation and maintenance of the Project facilities to the Contractor; or (3) transfer of the Project to an operation and maintenance status. The distribution and use of Federally stored/conveyed water and/or the operation of Project facilities transferred to the Contractor shall be consistent with the approved water conservation program. Following date of execution of this contract, and at subsequent 5-year intervals, the Contractor and Contracting Officer shall review the original water conservation plan to determine if the objectives set forth therein are being met. If it is determined that the water conservation measures set forth therein require modification to further the established objectives, the Contractor and the Contracting officer shall work together to formulate the modifications which the Contractor shall then be required to implement."

The Reclamation Reform Act and the Rules and Regulations were developed with extensive public input and review. The following guidelines are intended to assist Federal water users in complying with these legislative requirements.

QUESTION 126 ATTACHMENT

INTRODUCTION

These guidelines for the development of irrigation water conservation plans have been developed to assist water supply agencies in forming water conservation programs. These guidelines are intended only to provide ideas, and are not to be considered a required format or a complete review of the subject. As water supply agencies develop water conservation plans, they may want to include items not listed here, or they may not want to include all items listed.

Water conservation can mean a variety of things to different people. The definition of water conservation is dependent on the physical environment being considered. Water conservation can mean conserving soil moisture in the Great Plains by reducing runoff and soil erosion. Water conservation can mean protection and enhancement of both surface- and ground-water quality, and it can also mean building dams in the western States to reduce runoff to oceans for later beneficial use. Improved water management is also important as water use cannot always be reduced but can usually be managed better. A major goal of the Bureau has been an improvement of the existing district-wide irrigation efficiencies and water management which includes the storage systems, delivery systems, and the onfarm systems. In these guidelines, the general definition of water conservation is the beneficial reduction in water use or water losses.

The beneficial reduction in water use and the accounting of water losses have a direct relationship to the term "irrigation efficiency." Irrigation efficiency is the ratio of the quantity of applied water used in crop evapotranspiration and the leaching requirement to the total quantity of diverted water. This should include an accounting for preirrigations, effective precipitation, and the leaching requirements. Irrigation efficiency can refer to the uniformity of individual irrigations, the complete irrigation season, individual fields. an entire irrigation district, several districts, or an entire hydrologic basin. From the Bureau's standpoint and most districts, the season-long, district-wide irrigation efficiency is the most important measurement of how the district manages its water. The season-long, district-wide irrigation efficiency integrates many water management factors in the district into one number. However, other irrigation efficiencies within a district should not be overlooked; for example, the delivery efficiency of individual canal and lateral sections or other structures can be important. In some areas, the overall basin efficiency should be calculated, including the consideration of ground-water recharge and pumping.

Water measurement and recordkeeping are two important activities in a water conservation program. Good records of water measurements and crop water use are needed to evaluate current water management levels, to identify problem areas, and to evaluate the cost effectiveness of water conservation actions that are proposed. Accurate water measurement is also needed in order to evaluate the economics of present and proposed water conservation activities.

QUESTION 126 ATTACHMENT

The water conservation plan should include an evaluation of the benefits and costs of any action or lack of action to provide a beneficial reduction in water use. The recipient of the benefits and the bearer of the costs should be identified as they are not always the same. Benefits include savings of water, energy, fertilizer, and labor as well as improved water quality, reduced drainage costs, and improved crop production. Costs include the labor, construction, maintenance, energy costs, costs of structural changes, and management costs of nonstructural changes. Certain management and policy changes can reduce costs while at the same time providing water conservation. The district costs and benefits as well as the onfarm costs and benefits should also be considered.

SYSTEM INVENTORY AND EVALUATION

A system inventory and evaluation of the district and farm delivery and drainage facilities are recommended when developing a water conservation plan. It is helpful to know the present system and condition before any changes are planned. The inventory and evaluation should include both district and onfarm facilities, as well as nonstructural (management) inputs. This will enable a comprehensive understanding of the entire water supply system and the development of an effective and beneficial water conservation program.

The main structural facilities of the district to review include the canals, pipelines, dams, pumps, wells, water measurement devices, automation system, computer system, drainage system, weather stations, and other facilities. For these facilities, the current condition, including the age, conveyance efficiencies, capacities, energy requirements, operation and maintenance costs, fate of water losses, and other details should be considered in the evaluation.

The nonstructural items of the district operation are also important factors to be considered. These items include district operating rules and regulations, water pricing policies, water delivery techniques, drought allocation policies, monitoring programs, and record management techniques. Water delivery techniques may be classified as demand, modified demand, and rotation or other schedules. Management decisions can be improved by monitoring programs that improve knowledge of water delivery and drainage volumes, ground-water depth, water quality, water leaving the district, and weather conditions.

Water pricing policies include decreasing block rate (i.e., water price decreases with increasing use), increasing block rate, acreage assessment, or others. Comparing procedures with other districts or industries may lead to new and improved ideas. As a management tool, the use of computers is of importance today and should be encouraged for managing records in support of a water conservation plan.

QUESTION 126 ATTACHMENT

A review of the onfarm irrigation and drainage systems can also be meaningful in a system evaluation. This might include the types and acreage of different systems, crops, soils and the management techniques. The types of irrigation systems may include sprinklers of many kinds, level basins, drip, furrow, flood, tailwater return systems, etc. The drainage systems include natural, tile, open ditch, and wells. Management techniques include the various methods of scheduling irrigation frequency and duration, cutback or surge flow furrow irrigation, and the use of water measuring devices. The work of agencies covering the district such as the Soil Conservation Service, local universities, cooperative extension service, and others may offer assistance supporting water management conservation. If private consultants are working in the district area, then their work may also complement the district water conservation program.

When the system inventory and evaluation are completed, a picture of the district's situation will be available. This inventory can be used to identify problem areas of the district's water conveyance and distribution system.

PROBLEM AREAS

At the conclusion of the system inventory and evaluation, a review of the certain problem areas is recommended. Problems may include items such as low irrigation efficiencies, a canal or lateral section that has excessive water losses, high energy consumption, lateral capacity problems, soil salinity or drainage problems, lack of adequate water measurement, inappropriate water pricing policies, inadequate accounting procedures, or other problems. Those problems that are identified should be listed in order of importance. The problems may be important because they are related to excessive water losses (which affect water supply) and to excessive costs (which impact revenue). Once the problems have been ranked by priority, then a more detailed discussion of each item may be justified. The discussion might include information on how long the problem has existed, the impact on district operations, the impacts on farm production, and the probable future situation.

A review of the impacts of each problem is important because it will justify corrective actions. If the district water users are expected to finance improvements, then they need to be aware of the expected benefits of system changes. Some impacts of problems may have legal and environmental impacts that demand further evaluation. After the problems have been fully reviewed, then the selection of conservation goals can be made.

CONSERVATION GOALS

After the major water conservation and management problems of the district have been identified, goals should be established. The goals may be short or long term. Goals may include such examples as installing measuring devices at all farm turnouts, converting open ditches to buried pipe, computerizing some district operations, conducting educational programs for water users, improving district-wide irrigation efficiencies to a certain level, or reducing energy consumption by a certain percentage. The goals should establish the general direction and emphasis that the district will concentrate on in its water conservation program. The specific actions and time schedule for accomplishing each goal are more important and are discussed in the following sections.

It is also possible that the saved water could be used for municipal, industrial, or power uses; and the additional revenue could be used to fund system improvements and other district purposes. This would be an incentive to save water, as the district that conserves would benefit financially and be more able to improve its distribution and drainage systems.

Of special importance may be local and State water conservation requirements. Some States such as Texas, Arizona, and California have strict water conservation provisions. Therefore, each district should review State and local requirements in order to determine if the conservation goals should include State or local water conservation requirements. For example, some areas have laws prohibiting surface runoff from fields, thus requiring tailwater recovery systems or the use of sprinklers or drip irrigation systems. In times of drought, special local or State ordinances may be enacted and those requirements should also be included in the water conservation goals.

SELECTION OF ACTIONS

After the most important problems and goals have been identified and evaluated, the selection of corrective actions can be made. Some problems may have many different possible corrective actions and some may require the implementation of several actions at once. Actions can cover a wide range of possibilities; however, they should be site specific. Some examples of corrective actions may be the purchase and use of a computer to improve record management during the first year, replacing 5 miles of ditch laterals with buried pipe each year, changing to an increasing block water pricing system after installing all water meters, setting appropriate water allocations each year, installing 25 water measurement devices each year, concrete lining 3 miles of a canal each year, or retaining a private consultant to further study a problem in a future year. In some cases no action may be justified for an identified goal. A good deal of imagination could be used when selecting water conservation actions and new solutions to old problems may result.

Anticipated benefits should be identified prior to enactment of a water conservation plan, and the estimated total benefit value, tangible plus

QUESTION 126 ATTACHMENT

intangible, should be worth the costs. Important benefits by reducing the total amount of irrigation water applications are reduced damage from drainage problems and reduced erosion problems. It may also increase crop production, reduce evaporation losses, and save water for irrigation at other sites. In all cases water diversions and deliveries should be measured as required by State law and to indicate the ongoing efficiency of the distribution system.

During the process of selecting appropriate actions, it is advisable to gather comments from a wide range of knowledgeable individuals, including district members, private consultants, and local, State, and Federal agency officials. The possible actions should be compared for ~~both long- and~~ short-term costs and benefits. A procedure to determine the effectiveness of an implemented action should be established before implementation. This will allow the district officials to evaluate progress once an action is undertaken. It may also be necessary to have training classes for employees before some actions are implemented; in fact, training may be an action itself. After actions have been selected, implementation arrangements and a time schedule should be established for each action.

IMPLEMENTATION ARRANGEMENTS AND SCHEDULES

Several decisions need to be made before the selected water conservation actions are implemented. These decisions relate to implementation arrangements and time schedules. A financial plan should be made for each water conservation action in order to determine how it will be funded. Responsibility needs to be assigned for each action so that the work is accomplished on schedule. The responsibility may be assigned to district staff, a private contractor, or a consulting engineer.

Financial assistance can often be obtained from public agencies. The Bureau of Reclamation can provide some financial assistance through the Small Loan Programs (Public Law 84-130 and Public Law 84-984). Other regional Federal funding sources, such as the Colorado River Water Quality Improvement Program and the Agricultural Stabilization and Conservation Service, may be available to some districts. Oftentimes State and local agencies may provide funding for water conservation activities if the benefits are important to the State or locality. In many States, electrical utility companies offer financial assistance for water conservation activities. A well-written water conservation plan may be used as an appendix to other engineering studies, loan applications, and legal documents.

If several different measures are to be implemented, then some thought should be given to the priority in which the implementation of the actions will take place. For example, if water measurement devices are to be installed, then perhaps a new water pricing policy would be implemented after the measuring devices are installed. Some work, such as canal

QUESTION 126 ATTACHMENT

lining, can only be done during the nonirrigation season. Other actions, such as ditchrider training, could be done year round.

As a necessary component of the implementation arrangements, a specific time schedule should be established. Some time schedules may be determined by available financing while others may depend on available labor. In any case, a time schedule is important in order to evaluate the progress toward a specific goal. Time schedules are important to accomplish close coordination with other activities. The time schedules may be short range or long range depending on the measure being implemented.

SOURCES OF TECHNICAL ASSISTANCE

The plan could be formulated in two stages. Stage one may be a narrative statement presenting the general condition of facilities, major areas where conservation efforts could be implemented, and overall conservation goals. Stage two may then follow at a later date and contain a much more detailed plan as suggested in these guidelines.

The involvement of district members in all stages of the water conservation plan development and implementation is recommended. The final water conservation plan should be presented at a board of directors meeting and voted on for approval. Modifications to the plan may be required annually following the same review procedure as was done for the original plan.

During many of the phases involved in developing and implementing a water conservation plan, assistance is desirable. There are several types and sources of assistance. The Bureau of Reclamation can provide assistance on a range of engineering, operation, and management subjects. For example, the Bureau's Water Management and Conservation staff may be available for assistance regarding the development of a Water Conservation Program. Private engineering firms are also available for providing planning, engineering, and construction assistance. Local universities may be able to supply technical assistance either directly or through the extension service. The local Soil Conservation Service can also provide assistance to district members such as design and evaluation of irrigation systems. In some States, electric power companies evaluate pump-motor efficiencies for free and offer rebates for energy conservation improvements.

Obtaining technical assistance could be formalized as part of the water conservation plan. For example, if a private consultant is to be hired to design a drainage collector system, then that should be described in the plan. Other forms of technical assistance may be mentioned in the plan, such as private contractors assisting district members with land leveling and irrigation system design. Some technical assistance may also be received as part of ongoing Government programs.

QUESTION 126 ATTACHMENT

PLAN FORMAT

If required, the more detailed water conservation plan format should generally follow the outline presented in these guidelines. A good introduction must include a general description of the district. This would include a map of the service area with all facilities; a discussion of its history; a description of the water supply sources; and a listing of the crops, soils, acres, and climate factors.

After the introduction, the order of the chapters could be system inventory, problem areas, conservation goals, selection of corrective actions, implementation arrangements and time schedules, technical assistance, and evaluation procedures to determine if goals have been achieved. Additional chapters can be added as needed, and appendixes are probably necessary. The appendixes could contain delivery efficiencies of individual canals, calculations of costs and benefits, references to other reports, district rules and regulations, and definitions of terms used in the chapters.

Some of the requested data exist within the Crop Production and Water Utilization Data form 7-2045, and other reporting procedures, used to prepare the Bureau's summary statistics and related appendixes. Where appropriate, the Bureau may draw upon these data to support the water conservation plan obtained from the districts.

A checklist of water conservation measures that could be considered as appropriate in a district water conservation plan (depending upon the local circumstances) is presented in outline form in the following section.

CHECKLIST

The outline below is included as a checklist and guidance toward development of written water conservation plans. The items on this checklist may not pertain to all districts, and some districts may desire to include items not on the list.

I. General Information
    A. Region
    B. Project
    C. Division - unit
    D. Operating organization (district)
    E. Description of district
        1. Map
        2. History
        3. Water supply sources
        4. Crops
        5. Soils
        6. Acres
        7. Climate factors
        8. Number of employees
        9. Other

QUESTION 126 ATTACHMENT

- II. Conveyance System Inventory
  - A. Structural features
    - 1. Dams
      - a. Types
      - b. Location
    - 2. Canals
      - a. Miles of lined
      - b. Miles of unlined
    - 3. Pipelines
      - a. Miles
      - b. Capacity
    - 4. Laterals
      - a. Miles of lined
      - b. Miles of unlined
    - 5. Pumps
      - a. Number
      - b. Capacity
    - 6. Wells
      - a. Number
      - b. Depth
    - 7. Water measuring devices
      - a. Types
      - b. Location
      - c. Rating
      - d. Condition
    - 8. Automation system
      - a. Number
      - b. Types
    - 9. Drainage system
      - a. Types (tile, natural, open)
      - b. Miles
    - 10. Computer system
      - a. Type (main-frame, mini, micro)
      - b. Capacity
    - 11. Weather stations
      - a. Number
      - b. Installed equipment
  - B. Condition of conveyance system
    - 1. Age
    - 2. General condition
    - 3. Energy requirements
    - 4. Operation and maintenance costs
    - 5. Water losses
    - 6. Conveyance system efficiency
  - C. Nonstructural features
    - 1. Operating rules and regulations
    - 2. Water pricing policies
    - 3. Water delivery techniques
      - a. Demand
      - b. Modified demand
      - c. Rotation

QUESTION 126 ATTACHMENT

        - d. Other
    - 4. Drought allocation policies
    - 5. Water use monitoring programs
    - 6. Record management techniques
    - 7. Conveyance system scheduling program
        - a. Computerized (automated)
        - b. Manual technique

- III. On-Farm System Inventory
    - A. Types and acreages of irrigation systems
        - 1. Pressurized irrigation systems
            - a. Sprinkler
            - b. Drip/trickle
        - 2. Gravity/surface
            - a. Level basin
            - b. Border strip
            - c. Furrow/corrugated
            - d. Wild flooding
    - B. Tailwater return systems
    - C. Onfarm efficiency
        - 1. District-wide farm efficiency
    - D. Management techniques
        - 1. Irrigation scheduling program (frequency and duration)
        - 2. Cutback or surge flow furrow irrigation
        - 3. Water measurement devices
        - 4. Ditchrider training
        - 5. Other
    - E. Management support
        - 1. Bureau of Reclamation
        - 2. Soil Conservation Service
        - 3. Universities
        - 4. Extension Service
        - 5. Private consultant

- IV. Problem Areas
    - A. Identify problem areas, in order of importance, such as:
        - 1. Low irrigation efficiencies
        - 2. Areas of excessive water losses, like ditch leakage and pipe leakage
        - 3. Areas of excessive energy consumption
        - 4. Areas of lateral capacity problems
        - 5. Areas of salinity problems
        - 6. Areas of drainage problems
        - 7. Areas of inadequate water measurement
        - 8. Inappropriate water pricing policies
        - 9. Inadequate accounting procedures
        - 10. Other
    - B. Detailed discussion of problem areas
        - 1. How long has problem existed
        - 2. Impact on district operation
        - 3. Impact on farm production
        - 4. Impact on future situation

QUESTION 126 ATTACHMENT

5. Impact on water use efficiency
6. Legal ramifications
7. Environmental ramifications

V. Conservation Goals
   A. Identify goals for water conservation, such as:
      1. Installing measuring devices
      2. Lining laterals
      3. Converting to buried pipe
      4. Implementing water management program
      5. Computerizing district operation
      6. Training staff and water users
      7. Other

VI. Planned Impact of Conservation Goals
   A. Reduce district water usage by x percent
   B. Irrigate x additional acres with conserved water
   C. Impact on States and local water conservation requirements
   D. Overall improvement in conveyance efficiency and/or onfarm efficiency
   E. Impact on farm economy

VII. Implementation Arrangements
   A. Funding requirements
   B. Financial assistance
      1. Bureau of Reclamation Small Loan Program
      2. CRWQIP (Colorado River Water Quality Improvement Program)
      3. ASCS (Agricultural Stabilization and Conservation Service)
      4. State agencies
      5. Local agencies
      6. Utilities
   C. Time schedule

VIII. Selection of Corrective Actions
   A. Establish an annual improvement program, such as:
      1. Install x miles of pipeline
      2. Line x miles of laterals
      3. Install x water measuring devices
      4. Acquire computer hardware
      5. Commence computer software development
      6. Alter water pricing policy
      7. Training program

IX. Technical Assistance Sources
   A. Federal programs (Soil Conservation Service, etc.)
   B. State agencies
   C. Universities
   D. Private consultants

X. Appendixes
   A. Efficiency calculations
   B. Costs and benefit calculations
   C. District rules and regulations
   D. References to other reports and/or studies

QUESTION 126 ATTACHMENT

GLOSSARY

Acre-foot. - Volume of water that would cover 1 acre to a depth of 1 foot. (Equivalent to 325,900 gallons.)

Advection. - Horizontal transfer of heat energy by large-scale movement of the atmosphere.

Advance curve. - A plot that shows the distance traveled by the forward front of an onflow stream flowing down a furrow or border against the elapsed time since the beginning of the irrigation onflow.

Advance ratio. - The ratio of the time required for a stream to flow to the lower end of its furrow to the length of time the water is visible there. (For design, or where the furrow system is well operated, water should be visible at the lower end of the furrow just long enough to provide the desired irrigation.)

Agricultural water conservation. - Planned management to prevent or reduce loss or waste of agricultural water. It should result in reduced water demand.

Alternate sets (or settings). - The practice of placing the sprinkler line at each irrigation midway between the sets used in the previous irrigation. It is used mainly for portable sprinkler irrigation in orchards as a means of improving distribution uniformity.

Alternate side irrigation. - The practice of wetting one side of a crop and then, after about half the normal interval between irrigations, applying water to the other side; this provides full coverage for the crop at approximately the normal frequency of waterings. (This practice is sometimes called "alternate furrows" for row crops or "alternate middles" for orchards or vineyards.)

Antitranspirant. - A foliar spray which reduces transpiration by partial blockage of stomata or by prevention of complete stomatal opening. (Also called transpiration retardant.)

Applied water. - Water applied to the field by irrigation. (Excludes precipitation and delivery losses en route to the field.)

Associated effect. - An effect (of a water conservation action) other than the savings of a quantity of water. Thus, if increasing irrigation application efficiency reduces irrigation requirement, less water pumping may be needed. The energy saved would be an "associated beneficial effect" to the farmer. (Also referred to as "incidental effect.")

QUESTION 126 ATTACHMENT

Available moisture. - The moisture that can be held in the root zone between field capacity and wilting point. (Field capacity is the moisture remaining in a soil following wetting and natural drainage until free drainage has practically ceased. Wilting point is the moisture content of the root zone soil after plants can no longer extract moisture at a sufficient rate for survival.)

Basin. - A hydrologic area with definable water inflow and outflow points.

Brackish water. - Water that is contaminated with acids, bases, salts, or organic matter.

Carryover soil moisture. - Nongrowing season precipitation stored in the soil that may be effective in meeting the crop's ET (evapotranspiration) requirement.

Center-pivot sprinkler. - A mechanized agricultural irrigation system consisting of a pipeline supported above the crop, on mobile towers. Water is applied from sprinkler or spray heads on the pipeline. The pipeline is fixed at one end, the pivot, where it is connected to the water supply. Sophisticated controls on the towers regulate their motion to move the pipeline slowly in an arc about the pivot. Typical center-pivot sprinklers are one-fourth mile long and irrigate 135-acre circular fields.

Consumptive use. - Agronomically, this term is often synonymously with ET. However, in addition to ET, it includes water used by the crop for building plant tissues. In general terms, water that is consumptively used is that which cannot be recovered for reuse.

Conveyance system (delivery system). - A system of canals, pipelines, conduits, control structures, turnouts, and other devices used to deliver irrigation water from the water supply to the farm.

Crop rotation. - The practice of growing different crops in succession on the same land chiefly to preserve the productive power of the soil. The sequence of crops (over, say a 3-year period) becomes a rotation if the same sequence is used in the next (3-year) period. (See crop sequencing.)

Crop sequencing. - The process of deciding which crop follows which on any one field.

Cropping pattern. - The acreage distribution of different crops in any one year in a given farming area, such as a county, water agency, or farm. Thus, a change in cropping pattern from one year to the next can occur by changing the relative acreage of existing crops, and/or by introducing new crops, and/or dropping some existing crops. In these guidelines, the term is used fairly loosely to include any change in crop type, cropping sequence, or crop acreage.

QUESTION 126 ATTACHMENT

Crop consumptive use (crop consumptive requirement). - The ET of a crop (water stored in root zone and used by crops) during its period of growth. It does not include water for leaching, germination, frost protection, or other cultural practices.

Crop irrigation requirement. - The net quantity of water, exclusive of effective growing season precipitation, winter precipitation stored in the root zone, or ground water, that is required to be applied by irrigation to meet the ET needs of the crop. It also may include water requirements for germination, frost protection, prevention of wind erosion, and plant cooling.

Crop coefficient. - A coefficient that relates ET of a given crop at a specific time in its growth stage to a reference ET condition. This coefficient incorporates effects of crop growth state, crop density, and other cultural factors affecting ET. Usually is expressed or exhibited as a curve or polynomial. The reference condition is termed "potential" or "reference crop" and relates to ET of alfalfa or grass, depending upon the research that resulted in the crop coefficient. The respective "K" or "k_c" factor as used in the original and SCS Modified Blaney-Criddle methods is not based on a reference condition and should only be used with these methods.

Cutback stream. - The stream size to which the initial stream that starts flowing down a furrow or border strip is reduced to hold runoff to the minimum.

Drip (trickled) irrigation. - An irrigation method in which water is delivered to or near each plant in small-diameter plastic tubing. The water is then discharged at a rate less than the soil infiltration capacity through pores, perforations, or small emitters on the tubing. The tubing may be laid on the soil surface, be shallowly buried, or be supported above the surface (as on grape trellises).

Deep percolation. - Water which infiltrates down through the soil by gravity flow to depths below the rooting zone of plants.

Demand scheduling. - Delivery of water to the user by a water agency whenever the user demands it, subject to agency regulations on prior notice of demand and on quantity availability. Scheduling is, therefore, flexible and more convenient to the user than the supplier.

Distribution uniformity. - Indicates the uniformity of infiltration (or application in the case of sprinkle or trickle irrigation) throughout the field and is expressed as a percent relating the average depth infiltrated in the lowest one quarter of the area to the average depth of water infiltrated.

QUESTION 126 ATTACHMENT

Double cropping. - Growing two crops on the same field at different times of the year.

Effective precipitation. - Precipitation occurring during the growing season that is available to meet ET requirements of crops. It does not include precipitation lost through deep percolation below the root zone or through surface runoff.

Efficiency. - Some efficiency terms associated with irrigated agriculture are given below. Most of the terms are defined as ratios. (Ratio x 100 = 100 percent efficiency.)

a. Basin efficiency. - Ratio of [water lost from the basin through surface drainage, evaporation, transpiration, and irrecoverable deep percolation] to [water entering the basin as surface or pumped water].

b. Conveyance efficiency. - Ratio of: [the amount of water arriving at the area of use] to [the amount dispatched from the source].

c. Economic efficiency. - Water used is efficient from the user's (grower's) standpoint when the additional benefit of the last unit of water applied (called the marginal value product) is equal to the price paid for that unit of water (called the marginal cost). If this price reflects the social cost of that unit of water, then the grower's efficient use is also society's efficient use.

d. Irrigation application efficiency. - Ratio of: [the amount of water retained in the root zone soon after an irrigation] to [the total water applied in that irrigation]. Also, the ratio of: [total seasonal ET] to [total seasonal applied water].

e. Off-farm conveyance efficiency. - The volume of water delivered to the farm, expressed as a ratio or percent of the volume of water diverted (gross diversion) from a stream or other water supply.

f. Onfarm efficiency. - The volume of water stored in the soil root zone and used by the crop, expressed as a ratio or percent of the volume of water delivered to the farm. Onfarm efficiency characterizes both the onfarm distribution system and the field application systems.

g. Water use coefficient. - Ratio of: [total seasonal ET plus leaching requirement] to [water applied in irrigation plus effective precipitation]. This term is useful because it considers the two useful agricultural functions of water in relation to total water received on the field, but excluding ineffective rainfall.

QUESTION 126 ATTACHMENT

h. Water use efficiency. - Some indices of this area: ratio of: [crop yield] to [ET]; or ratio of: [calories and/or protein produced] to [water used in ET]; or ratio of: [phytosynthesis] to [transpiration].

Emission uniformity. - Indicates the uniformity of emission from the trickle irrigation emitters throughout a field (or suhunit of a field) and is expressed as a percent relating the minimum rate of discharge to the average rate of discharge per plant.

Estuarine inflows. - The fresh-water flow regime necessary to provide for nutrient input, sediment movement, circulation, and maintenance of brackish conditions for estuarine organisms.

ET (evapotranspiration). - ET is synonymous with consumptive use and is the amount of water used by vegetative growth in transpiration and building of plant tissue, together with evaporation from soil and plant surfaces in a specified time period.

Flow rate. - From a sprinkler, or the streamflow into, along, or out of a furrow basin or border.

Full irrigation - Irrigation that fully replaces the SMD (soil moisture deficit) in the entire area irrigated.

Global radiation. - Total of direct solar radiation and diffused sky radiation received at the earth surface by a unit horizontal surface (R_s).

Gravity system of irrigation. - This term is used instead of the term "surface irrigation." It includes irrigation systems (such as border-strip and furrow) which do not normally require pressurization.

Gross diversion (withdrawal). - The total quantity of water diverted from a stream, lake, or reservoir, or removed from the ground, for the purpose of irrigation. This amount can be greater than the water supply in a basin because of return flows and subsequent rediversion downstream.

Ground-water mining (overdraft). - Pumping of ground water for irrigation or other uses, at rates faster than the rate at which the ground water is being recharged.

Growing season. - The time period which is warm enough for plants to transpire and grow. For annual plants, it approximates the time interval between planting and crop maturity; for perennial crops, it is the period between certain temperature conditions that establishes growth and dormant periods. The growing season is sometimes restricted to the period between killing frosts.

QUESTION 126 ATTACHMENT

Instream flow needs. - The flow regime necessary to provide for the combined instream uses for fish, wildlife, recreation, navigation, hydroproduction, waste assimilation, and downstream conveyance.

Infiltration rate. - Expressed as gallons per minute per 100 feet in furrow irrigation or inches per hour in all methods of surface irrigation.

Initial stream. - The stream that starts flowing down a furrow or border strip. (Usually it is fairly large, but it should not be large enough to cause erosion. Often it may be smaller than the largest nonerosive stream.)

Irrecoverable water loss (incidental loss or use). - That part of water diverted and lost that becomes unavailable for reuse after it is diverted from a stream or other water supply for purposes of irrigation. Irrecoverable loss includes evaporation from canals and inline reservoirs; evaporation from wetlands, phreatophyte, and hydrophyte transpiration; and that portion of ground-water recharge that is not economically recoverable in a reasonable number of years. Evaporation from streams and water supply or storage reservoirs is not included. Does not include return flows to estuaries or direct to oceans.

Irrigation requirement. - The amount of water applied through irrigation alone (i.e., excluding rainfall) that is needed to satisfy consumptive use as well as cover losses in application (which may include leaching requirement).

Leaching fraction. - The proportion (or percentage) of the gross irrigation amount that goes to deep percolation.

Leaching requirement. - The depth of infiltrated water required to dissolve and transport enough salts through the soil profile to maintain a salt balance favorable to economic plant growth. The leaching requirement depends on crop tolerance and water quality.

Limited irrigation. - Any of a group of procedures which result in deficit irrigation to conserve water but do not reduce yields.

Lysimeter. - A device such as a tank or large barrel containing a mass of soil, usually planted to some vegetation, which is isolated hydrologically from its surroundings. The device commonly used in research to determine the ET rate of various crops.

Management allowed deficit. - The desired SMD at the time of irrigation. This may be expressed as the percent of the total available soil moisture in the root zone or the corresponding depth of water that can be extracted from the root zone between irrigations to produce the best economic balance between crop returns and cost of irrigation.

QUESTION 126 ATTACHMENT

Mitigation. - Partial replacement of resource values (usually fish and wildlife) lost or damaged as a result of a project undertaken for another purpose.

Moisture stored in root zone. - Refers to the water applied which is not in excess of SMD and is stored in the root zone.

Net depletion. - Includes all crop consumptive uses and irrecoverable water losses. Does not include return flows to estuaries or direct to oceans.

Net radiation. - The difference of the downward and upward solar and long wave radiation flux passing through a horizontal plane just above the ground surface (R_n).

Natural flow depletion ratio. - The ratio of the rate of consumptive use of water in a hydrologic unit to the average annual rate of streamflow in the basin prior to development of the water resource.

Normal year. - A year in which the amount of precipitation is equaled or exceeded 5 years in 10 (approximately equal to the average annual rainfall).

Off-farm. - Outside the boundaries of the specific farm upon which water conservation is being enacted. It can include neighboring farms and nearby nonfarm areas and even distant sites and activities which may be affected by the onfarm conservation measures.

Onfarm. - Within the farm boundaries, including water storage and conveyance structures and agricultural fields of a particular farm.

Onfarm system. - The method used to distribute and apply the water to fields. Included are gravity or surface systems and pressurized systems such as sprinklers or drip. Tailwater disposal or recovery systems are included.

Radiation. - Process by which electromagnetic radiation is propagated through space (see global and net radiation).

Recession curve. - A plot that shows the position where water has just disappeared from the surface of a furrow or border against the length of time from the beginning of the irrigation onflow.

Recoverable water. - Water which moves out of the immediate area where applied, but which is still terrestrially available for reuse, although its recovery may necessitate pumping and therefore added cost. It includes runoff, deep percolation, and seepage, and is not a true loss of water; but, the quality may be changed significantly.

QUESTION 126 ATTACHMENT

Return flow. - That portion of the water diverted for irrigation that returns to ground water or stream system for potential rediversion or instream uses.

Return flow system. - A system that recycles runoff water by either pumping it back to the supply or using it sequentially on a lower field. (Often a reservoir is required to enable flexible operation and to save labor.)

Rotation scheduling. - Delivery of water to the user by a water agency usually on the basis of fixed amounts of water at fixed intervals. Scheduling is, therefore, somewhat rigid and more convenient to the supplier than the user.

Runoff. - The water that leaves an area or field as surface flow.

Saline. - The condition of containing dissolved or soluble salts. Saline soils are those whose productivity is impaired by high soluble salt content. Saline water is that which would impair production if used to irrigate sensitive crops without adequate leaching to prevent soil salinization.

Seepage. - Downward or lateral movement of water through a pervious or semipervious bottom or wall of a container such as a pond or canal.

Soil moisture deficit. - Expressed numerically as a depth (in inches) indicating the dryness of the root zone at the time of measurement.

Stress irrigation. - A management practice in which the depth or frequency of irrigation, or both, is insufficient to result in maximum production, but does increase economic returns or yields per unit of water applied.

Surface irrigation. - Any irrigation method where a stream(s) of water is applied to the soil surface at one boundary of a field and allowed to infiltrate as it flows across or ponds on the field surface. Furrow, corrugation, level basin, graded border, contour or border ditch, and wild flooding are all methods of surface irrigation.

Surplus water. - Water in excess of the firm yield of a developed water system. Since firm yield is based on a subnormal flow year, surplus water occurs in normal as well as wet years and is usually priced less than entitlement water.

Transpiration. - The process by which water is evaporated from wet cell walls in the leaf's substomatal cavity and diffuses to the air through the stomatal pores.

QUESTION 126 ATTACHMENT

Time (duration) of application. - The duration of time water flows onto or is otherwise applied to an area.

Time of advance. - The duration of time required for water to flow from the upper to the lower end of a field.

Time (duration) of irrigation. - The duration of time water should be sprinkled or trickled onto or cover the surface in order to replace the SMD at a given point.

Uniformity coefficient (Christiansen's coefficient of uniformity). - A statistical representation of the uniformity of sprinkle or trickle irrigation. It is expressed as a percent which relates the average catch minus the average deviation from the average catch to the average catch.

Under irrigation. - This is when a single or series of irrigations leave an appreciable area of a field with a substantial SMD.

Water agency. - A public or privately owned agency primarily responsible for obtaining and delivering water to the public at cost. The agency may have a number of special purposes. In these guidelines, reference is made chiefly to the function of distributing and delivering water for irrigation; and, as such, the agencies mainly include independent "irrigation districts" and "water districts."

Water delivery methods -

a. Rotation. - Supplying water on a preset schedule basis from a distribution system to individual farms for a fixed period of time.

b. Demand. - Supplying water at a rate and duration of flow to satisfy requests any time during the growing season with no advance notice.

c. Modified demand. - Supplying water on advance notice at requested times, rates, and durations, or at rates and times commensurate with other irrigators' requirements along the distribution system.

d. Continuous flow. - The continuous and constant discharge of a farmer's share to the farm.

Water loss. - That portion of diversion that is not consumptively used by crops on a farm or project. Losses occur as a result of seepage, deep percolation, unrecovered surface runoff, evaporation from canals or from wetlands, and phreatophyte use. A portion of such losses returns to water bodies in the river basin and becomes available to other uses.

QUESTION 126 ATTACHMENT

Water saved (salvaged). - That water gained in a river basin through reduction of incidental uses and irrecoverable ground water.

Withdrawal (used synonymously with diversion). - Water taken from surface- or ground-water sources, to be used for irrigation.

QUESTION 126 ATTACHMENT

REFERENCES

1. Ayers, R. S. and D. W. Westcot, 1976, Water Quality for Agriculture, Irrigation and Drainage, paper 29, Food and Agriculture Organization of the UN, Rome, Italy.

2. Buchheim, J. F. and L. Ploss, 1977, Computerized Irrigation Scheduling Using Neutron Probes, paper 77-2004, ASAE Annual Meeting, June 26-29, 1977, Raleigh, North Carolina. ASAE, St. Joseph, Michigan 49085.

3. Brower, L. A. and J. F. Buchheim, 1981, Forecasting Water Diversions to Meet Irrigation Requirements, paper 81-2094, ASAE Summer Meeting, June 21-24, 1981, Orlando, Florida. ASAE, St. Joseph, Michigan 49085.

4. Brower, L. A. and J. F. Buchheim, 1982, An Irrigation District Computerized Water Management System, Ninth Technical Conference on Irrigation, Drainage, and Flood Control, October 20-23, 1982, Jackson, Mississippi, ICID, PO Box 15326, Denver, Colorado 80215.

5. Carter, V. H. and S. Conway, 1982, Predicting Irrigation Dates and Amounts with a Neutron Moisture Gage, Ninth Technical Conference on Irrigation, Drainage, and Flood Control, October 20-23, 1982, Jackson, Mississippi. ICID, PO Box 15326, Denver, Colorado 80215.

6. Dastane, N. G., 1974, Effective Rainfall in Irrigated Agriculture, Irrigation and Drainage, paper 25, Food and Agriculture Organization of the UN, Rome, Italy.

7. Davenport, D. C. and R. M. Hagan, 1982, Agricultural Water Conservation in California, with Emphasis on the San Joaquin Valley, Department of Land, Air, and Water Resources, University of California at Davis, California 95616.

8. Doorenbos, J. and W. O. Pruitt, 1977, Guidelines for Predicting Crop Water Requirements, Irrigation and Drainage, paper 24, Food and Agriculture Organization of the UN, Rome, Italy.

9. European Commission on Agriculture Working Party on Water Resources and Irrigation, 1971, Automated Irrigation, Irrigation and Drainage, paper 5, Food and Agriculture Organization of the UN, Rome, Italy.

10. European Commission on Agriculture Working Party on Water Resources and Irrigation, 1971, Drainage of Heavy Soils, Irrigation and Drainage, paper 6, Food and Agriculture Organization of the UN, Rome, Italy.

QUESTION 126 ATTACHMENT

11. European Commission on Agriculture Working Party on Water Resources and Irrigation, 1973, Drainage of Salty Soils, Irrigation and Drainage, paper 16, Food and Agriculture Organization of the UN, Rome, Italy.

12. Hagan, R. M., et al. (Eds.), 1967, Irrigation of Agricultural Lands. American Society of Agronomy, Mono 11, Madison, Wisconsin 53711.

13. Hansen, V. E., O. W. Israelsen, and G. E. Stringham, 1979, Irrigation Principles and Practices, 4th Edition, John Wiley and Sons, Inc., New York, New York, p. 412.

14. Jensen, M. E. (Ed.), 1973, Consumptive Use of Water and Irrigation Water Requirements, American Society of Civil Engineers, Irrigation and Drainage Division, New York, New York 10017.

15. Jensen, M. E. (Ed.), 1981, Design and Operation of Farm Irrigation Systems, American Society of Agricultural Engineers, St. Joseph, Michigan 49085.

16. Land and Water Development Division, 1971, Irrigation Practice and Water Management, Irrigation and Drainage, paper 1, Food and Agriculture Organization of the UN, Rome, Italy.

17. Land and Water Development Division, 1971, Irrigation Canal Lining, Irrigation and Drainage, paper 2, Food and Agriculture Organization of the UN, Rome, Italy.

18. Land and Water Development Division, 1971, Design Criteria for Basin Irrigation Systems, Irrigation and Drainage, paper 3, Food and Agriculture Organization of the UN, Rome, Italy.

19. Land and Water Development Division, 1971, Integrated Farm Water Management, Irrigation and Drainage, paper 10, Food and Agriculture Organization of the UN, Rome, Italy.

20. Land and Water Development Division, 1973, Trickle Irrigation, Irrigation and Drainage, paper 14, Food and Agriculture Organization of the UN, Rome, Italy.

21. Land and Water Development Division, 1976, Agro-Meteorological Field Stations, Irrigation and Drainage, paper 27, Food and Agriculture Organization of the UN, Rome, Italy.

22. Luthin, J. N. (Ed.), 1957, Drainage of Agricultural Lands, American Society of Agronomy, Mono 7, Madison, Wisconsin 53711.

23. Luthin, J. N. 1978, Drainage Engineering, Robert E. Krieger Publishing Company, Huntington, New York.

QUESTION 126 ATTACHMENT

24. Lyford, G. R. and M. McVay, 1980, Plan Better Irrigation Systems with IMS Techniques, ASCE Specialty Conference, July 23-25, 1980, Boise, Idaho. ASCE, Irrigation and Drainage Division, New York, New York 10017.

25. Merriam, J. L. and J. Keller, 1978, Farm Irrigation System Evaluation: A Guide for Management, Agriculture and Irrigation Engineering Department, Utah State University, Logan, Utah 84321.

26. Pair, C. H. (Eds.), 1975, Sprinkler Irrigation, Sprinkler Irrigation Association, 13975 Connecticut Avenue, Silver Spring, Maryland 20906.

27. Proceedings of the Irrigation Scheduling Conference, December 14-15, 1981, The Palmer House, Chicago, Illinois, 1981, Irrigation Scheduling for Water and Energy Conservation in the 80's, American Society of Agricultural Engineers, St. Joseph, Michigan 49085.

28. USDA, SCS, 1959-1980, National Engineering Handbook, Section 15, Irrigation, U.S. Government Printing Office, Washington, DC.

29. USDI, BR, 1967, Water Measurement Manual, Engineering and Research Center, Denver, Colorado 80225.

30. USDI, BR, 1978, Drainage Manual, Engineering and Research Center, Denver, Colorado 80225.

31. USDC, NOAA, 1972, National Weather Service Observing Handbook No. 2, Substation Observations, Data Acquisition Division Office of Meteorological Operations, Silver Spring, Maryland, p. 77.

32. Van Schilfgaarde, J. (Ed.), 1974, Drainage for Agriculture, American Society of Agronomy, Mono 17, Madison, Wisconsin 53711.

RESPONSE TO QUESTIONS FROM
SENATOR METZENBAUM

127. Please provide me with the report on WPSS that we discussed during your confirmation hearing.

Answer: At my confirmation hearing on February 1, 1985, you asked me about a report pertaining to the Washington Public Power Supply System (Supply System) that was mentioned in a Washington Post article. The article referred to a ruling of the United States District Court for the District of Columbia that denied a Freedom of Information Act (FOIA) request for the report. As I stated in response to your questions, I was not aware of the FOIA litigation until the evening of January 31, when a member of my staff read to me excerpts from a wire service story concerning the court's decision.

In response to your request in this Question 127, my staff made inquiry of the Department of Justice to ascertain the identity of the report and the nature of the court's ruling. The first time I ever saw the report was on February 3, 1985, when, in connection with preparation of answers to the Committee's written confirmation questions, my staff showed me a copy of the report it obtained from the Department of Justice.

The material involved in the FOIA case concerned a report prepared in 1983 for the Bonneville Power Administration (BPA) by a consultant who was a former, senior BPA employee. The report contained multiple attachments. Referring to major litigation against the federal government in connection with the Supply System, the court denied the FOIA request for the report itself on the ground it came within the attorney work product privilege. On the ground of the government's deliberative process privilege, the court also denied the FOIA request for those attachments and portions of attachments which the government previously had not released (Attachments 18, 20, and a portion of 22).

At my confirmation hearing, you asked whether I "would make that report available to any member of this committee, with an assurance, as we do in certain other committees, that we will not violate the confidential nature of it, but use it merely for our own edification." In reliance on that assurance, I today have delivered to you, personally and not for inclusion in the public record of the Committee's proceedings, a complete copy of the report and its attachments furnished me by the Department of Justice. In view of the court's ruling (copy of which also has been furnished to you) and the fact that the Supply System litigation involving the federal government remains pending, I appreciate your agreement that you will preserve the confidentiality of the privileged materials delivered to you.

128. Former Secretary Watt tried to cut the acquisition of new parklands, such as in the Cuyahoga Valley National Recreation Area in Ohio. He not only tried to cut funds for these purposes, he also set up many procedural roadblocks to delay if not stop parkland purchases.

Secretary Clark partially alleviated the problem by requesting more funds in the fiscal 1985 budget. Many procedural delays still remain, however. What is your view toward the acquisition of new parklands -- not just economically, but philosophically?

Will you go back to the policies of James Watt or will you take steps to see that the program goes forward in a reasonable way?

Answer: As I stated in my testimony, I recognize there are additional lands that should be acquired for national park purposes, particularly within the boundaries of already-designated parks. At the same time, I believe we all have a responsibility to the Nation to recognize and to do something about the budget deficit. All federal programs, in all federal agencies, must help share that national burden. Therefore, it is imperative for us to seek creative alternatives to purchase, such as exchanges and easements, to acquire needed lands.

129. Last year, the Interior Department transferred $30 million of the park acquisition funds to the Bureau of Land Management to pay for fire suppression costs. The money was replenished in the 1985 appropriations, but taken away again by the BLM.

We hear rumors that this time the Department or OMB will not be asking that the money be replenished, thus further cutting the acquisition program.

Will you be willing to request that the money be restored?

Answer: My understanding is that the deficit situation simply will not permit a budget request for FY 1986 to restore these funds.

130. Section 603 of the Federal Land Policy and Management Act states that BLM Wilderness Study Areas will be administered on an interim basis by the Secretary "so as not to impair the suitability of such areas for preservation as wilderness"..."until Congress determines otherwise."

During the early days of Secretary Watt's tenure a memorandum was circulated in the Department arguing that the interim wilderness protection language applied only to areas recommended for wilderness designation by the Secretary, and not to areas found by the Secretary to be non-suitable for wilderness. It is my understanding that, under threat of a lawsuit, the memorandum's hypothesis was rejected by Interior's Solicitor. Further, Secretary Clark indicated that the Department would report both suitable and non-suitable recommendations to Congress, and would manage all Wilderness Study Areas to protect their wilderness character "until Congress determines otherwise."

Will your policy also be to report to Congress on all areas and manage all Wilderness Study Areas to protect their wilderness character until Congress acts?

Answer: Yes.

131. In December of 1982 and early 1983 Secretary Watt dropped some 1.5 million acres of land from the BLM wilderness study inventory ... an action which aroused intense public opposition. The so-called "Watt droppings" are being challenged in court, but no decision has been rendered to date. Given the Forest Service's experience with wilderness reviews in RARE I, then RARE II, and now RARE III, wouldn't it make sense to restore the 1.5 million acres to the wilderness study process now and perform a comprehensive review of all possible wilderness candidate areas, rather than to wait and be forced by administrative appeals or the courts to redo the program over and over again?

Answer: The 1.5 million acres were dropped from future study under Section 603 of the Federal Land Policy and Management Act based on legal interpretations and an Interior Board of Land Appeals decision that they should not have been considered as wilderness study areas. However, these decisions still are in litigation. My information is that, as a result of a court order, these areas still are being managed as wilderness study areas.

If confirmed, I would expect to review this issue with others in an effort to identify how best to seek and to achieve a long-lasting consensus regarding wilderness areas.

132. Over the past several years, Members of Congress have received numerous complaints from around the country that BLM has been lax or deliberately unwilling to crack down on activities that might impair the wilderness suitability of BLM Wilderness Study Areas.

These damaging actions are occurring at a time when the general consensus seems to be that funding and personnel for enforcing protection of wilderness study area is inadequate.

Do you plan to ask for increased funding and personnel to protect wilderness study areas from degradation?

If not, aren't you prejudicing Congress' option to review wilderness character and make a final wilderness/non-wilderness allocation?

Answer: I believe Bureau of Land Management funding and staffing levels periodically should be reviewed to ensure that the Bureau of Land Management has the ability to monitor properly Wilderness Study Areas and thereby assure that the options of the Congress are not compromised. An appropriate time to do so is following confirmation of a new Secretary. I will plan to do so.

133. The current Interior Appropriations bill contains a prohibition on the issuance of mineral leases in national forest and BLM wilderness study areas. This is to prevent possible lease "rights" from accruing which might result in the impairment of wilderness character.

In submitting Interior's budget to Congress last year, Secretary Clark was supportive of the provision banning leasing in wilderness study areas. Will you also support continuation of the ban?

Answer: Yes.

134. The Santa Fe Energy Company is now negotiating with the Department for leases to develop tar sands on 55,000 acres of unspoiled canyonlands in the Glen Canyon National recreation Area and in BLM Wilderness Study Areas in Utah. The Park Service is on record opposing issuance of the leases, due to adverse environmental impacts which will result from development.

Do you believe the Department should issue these leases?

Answer: As a general matter, I will be looking to see if there are compelling reasons for such a lease going forward rather than first developing areas of similar energy potential outside recreation areas.

I have been informed that the Santa Fe Energy Company is already holding oil and gas leases in these areas and has applied for conversion of the leases to allow them to explore, produce and develop tar sands, in accordance with procedures outlined in the Combined Hydrocarbon Leasing

Act of 1981. I am not aware that the Park Service has taken a public position on the environmental impacts associated with conversion. I understand the Environmental Impact Statement currently is in draft form and that a preferred alternative has not yet been identified. Until I review the data further and review all possible development scenarios, I am unable to make an informed judgment as to conversion.

135. Under the Combined Hydrocarbon Leasing Act of 1981, applicants are only entitled to convert existing oil and gas leases into non-competitive tar sands leases if they have submitted "an acceptable plan of operations which assures reasonable protection of the environment and diligent development of the resource." Both the Park Service and EPA have found that Santa Fe's plan of operation will result in unacceptable damage to the recreation and wilderness study areas, including serious adverse impacts on air quality, wildlife, noise levels, scenic vistas, and recreation.

In light of these findings, do you believe that Santa Fe should be required to further refine its tar sands technology, and acquire the tar sand leases on a competitive basis?

As Secretary of the Interior, would you direct the National Park Service to either devise an acceptably scaled-back plan of operations for Santa Fe, or to oppose issuance of the tar sands leases?

Answer: As a general matter, I will be looking to see if there are compelling reasons for such a lease going forward rather than first developing areas of similar energy potential outside recreation areas. I understand the Department currently is reviewing a range of possible development scenarios, including levels of production lower than those proposed by Santa Fe, before recommending a decision on this matter.

The Department advises that the draft Environmental Impact Statement (EIS) contains a range of alternative development scenarios to be considered in the Department's decision process. I also understand modifications that are within that range but not necessarily spelled out explicitly in the EIS may be considered; one of those options may be a scaled-back plan of operations.

136. Are there currently underway within the Interior or Justice Departments any investigations into allegations of questionable conduct of Interior Department officials relating to the Duck Nest Creek tract exchange and the Powder River Basin coal lease sale?

If so, please describe the nature of the investigations, their status, and when they are expected to be completed.

Answer: The Department's review of federal coal leasing as of March 19, 1984, considered two distinct issues:

1. Programmatic issues involving coal leasing procedures to determine whether coal leasing should occur, to calculate the amount of coal which should be leased, and to conduct sales; and,
2. Conduct of individual employees in specific lease sales, and the adequacy of Departmental review of their conduct.

My understanding is that, in Secretary Clark's judgment, each of these issues required a separate and independent review. The first issue was treated in the March 19, 1984, report. My information is that proposals for improved procedures made in that report are being implemented by the Department in close consultation with the Congress, state governments, industry, and other interested groups.

I am advised that Secretary Clark also requested an independent review of all allegedly questionable conduct by individual Department of the Interior employees, including allegations of questionable investigation practices of such conduct by the Department's Office of Inspector General. On June 11, 1984, Secretary Clark transmitted to this Committee the results of a review, peformed in conjunction with the General Accounting Office (GAO), which was conducted by employees of the Internal Revenue Service and the Department of Commerce who were detailed to the Department. That review focused on the Inspector General's investigation of the conduct of Department of the Interior employees in the Powder River Basin coal sale. Secretary Clark's transmittal letter (copy atached) stated in part:

> "Based on the review conducted by the Department, the report concluded that the examination of individual conduct of Interior employees in the Powder River Basin coal sale should continue and should answer questions raised by this report and by the companion report issued by GAO. I have asked the Deputy Under Secretary, under the supervision of the Under Secretary, to continue this review and have requested GAO's assistance in this effort. A complete copy of the report on individual conduct will be provided to you."

My information is that the continuing review is being conducted by the same individuals responsible for the June 11, 1984, review. I understand that a report is expected within approximately 45 days. I will provide a copy of the report, upon its completion, to the appropriate Committee Chairmen.

ATTACHMENT TO THIS QUESTION 136 FOLLOWS

Question 136 Attachment

THE SECRETARY OF THE INTERIOR
WASHINGTON

June 11, 1984

Honorable James A. McClure
Chairman, Committee on Energy and
Natural Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

In my March 19, 1984, transmittal to Congress of the Department of the Interior's comments on the report and recommendations of the Commission on Fair Market Value Policy For Federal Coal Leasing, I concluded the Department had to consider:

(1) programmatic issues involving coal leasing procedures to determine whether coal leasing should occur, to calculate the amount of coal which should be leased, and to conduct sales; and

(2) conduct of individual employees in specific lease sales, and the adequacy of Departmental review of their conduct.

In my judgment, each of these issues required a separate and independent review. The programmatic review resulted in the report provided to you on March 19, 1984. Proposals for improved procedures made in the report are being implemented by the Department in close consultation with Congress, state governments, industry, and other interested groups.

This letter transmits the review of the Inspector General's (IG's) investigation of allegations of questionable individual conduct. The review, carried out under the supervision of the Under Secretary, was conducted by individuals detailed to the Department of the Interior from the Internal Revenue Service and the Department of Commerce. It was performed in conjunction with the General Accounting Office (GAO). GAO and the Department established a common investigative strategy and approach and compiled a common data base. However, separate reports were prepared consistent with the reporting responsibilities of both organizations.

The review developed no indication of any violation of criminal law by any employee of the Office of the Inspector General (OIG) or of any attempt by any employee of the OIG to "cover up" criminal wrongdoing or other employee misconduct in the Powder River Basin coal sale.

There also was no indication of any compromise of the IG's independence or of any attempt to compromise the IG's independence. The judgments as to investigative technique and strategy were those the Assistant Inspector General for Investigations (AIGI) believed, in his professional opinion, to be appropriate. Secretary Watt was kept informed by the IG of the progress of the investigation and urged the IG to complete the investigation as quickly as possible. He, however, did not attempt to dictate the outcome or suggest any relevant matter be left uninvestigated or be ignored.

Nonetheless, the review concluded that the investigation and resultant reports were inadequate. The OIG investigation did not completely analyze alleged disclosures, establish the full extent of gratuities allegedly received by key officials, or determine whether there was a relationship between the alleged disclosures and gratuities, and policy decisions made in the course of the sale.

The OIG also failed to analyze thoroughly the information available to it and to pursue outstanding leads. Discrepancies in the testimony of critical witnesses were not explored fully, individuals who allegedly possessed information about related disclosures were not interviewed, and confusion about the precise nature of the information disclosed was not resolved.

Finally, some of the investigation and report-writing procedures used were questionable. Two key witnesses were not interviewed under oath, the narrative reports did not contain all relevant information and were not accompanied by all relevant exhibits, and two of the reports were not formally transmitted in a timely manner to the Department for final disposition.

Based on the review conducted by the Department, the report concluded that the examination of individual conduct of Interior employees in the Powder River Basin coal sale should continue and should answer questions raised by this report and by the companion report issued by GAO. I have asked the Deputy Under Secretary, under the supervision of the Under Secretary, to continue this review and have requested GAO's assistance in this effort. A complete copy of the report on individual conduct will be provided to you.

The review of the OIG's investigation also concluded that a number of procedural improvements should be considered by the OIG, including: (1) ensuring use of investigative plans; (2) ensuring reports are prepared by the investigator responsible for the case and independent supervisory reviews are performed; (3) ensuring all significant supporting documents are attached to Reports of Investigation as exhibits; and (4) ensuring key witnesses are interviewed under oath and are requested to furnish sworn statements. I have asked Inspector General Mulberry to review the report and recommendations and to provide me with a response within 2 weeks.

Because of the subject of the report and its detailed nature, I have determined it would be inappropriate to release it publicly. I, however, have provided copies to Congressmen Yates and Udall. Copies also were provided to the Public Integrity Section of the Department of Justice and to the President's Council on Integrity and Efficiency. I would appreciate it if you would treat the report as confidential.

The results of this review and the planned review of individual conduct should not affect or relate to proposed procedures for future sales. The procedures have been thoroughly examined by the Department's working groups, by the Under Secretary, and by myself. I do not believe that it would be in the best interests of the Department or of the United States to require that resumption of the program should await completion of examination into individual conduct.

I look forward to working with you in a mutual effort to ensure that the Federal coal leasing program serves the national interest.

Sincerely,

Bill Clark

William Clark

137. In an attempt to forge the national consensus you mentioned in your statement, will you commit yourself to personally meeting with representatives of the environmental community on a regular basis?

Answer: I intend to remain open and accessible to all views as we seek to build a national consensus on the broad policy matters within the jurisdiction of the Department. I am committed to continuing to meet with all interested parties, including representatives of the environmental community -- a process I began immediately after the President announced his intention to nominate me to be Secretary of the Interior.

RESPONSE TO QUESTIONS FROM SENATOR DeCONCINI

138. Would you please summarize your attitudes and opinions in regard to Western reclamation projects and the Central Arizona Project in particular? If possible, could you outline the steps you might take in assuring the present construction schedule and planned water delivery dates for the CAP?

Answer: I have been, and remain, a strong supporter of Western reclamation projects. The Central Arizona Project ensures that water belonging to the people of Arizona is provided at the points where it is needed. My understanding is that the CAP is one of the finer examples of the Bureau of Reclamation's efforts in this regard.

The President's budget for fiscal year 1986 for the Central Arizona Project is attached. It outlines various steps planned to assure timely completion. I am informed that water deliveries though the Granite Reef Aqueduct to the Phoenix metropolitan area are scheduled for 1985; that deliveries to users of the Salt-Gila Aqueduct and the Pinal County are scheduled for 1986; and that water deliveries to Northern Pima County and the Tuscon area are scheduled for 1986 and 1993, respectively. I will encourage the Bureau of Reclamation to take the management steps necessary to ensure the schedule is met.

ATTACHMENT TO THIS QUESTION 138 FOLLOWS

QUESTION 138 ATTACHMENT

DEPARTMENT OF THE INTERIOR
for the
BUREAU OF RECLAMATION

ARIZONA

CONSTRUCTION PROGRAM

Central Arizona Project (Arizona-California-Nevada-New Mexico-Utah)

Fiscal Year 1985	$142,250,000
Fiscal Year 1986	$134,700,000

The amount of $134,133,000 is allocated for work in Arizona and $567,000 in New Mexico. No work is scheduled in the states of California, Nevada, and Utah.

Construction will be completed on completion work for Salt-Gila Pumping Plant; Salt-Gila Aqueduct turnouts, control cables, and repair and cleanup; and the Picacho Pumping Plant structure. Transmission facilities construction will be completed on ED-2 Saguaro substation 115-kV transmission line and ED-2 substation modifications. Construction will be completed on the maintenance/warehouse facility.

Testing of the Granite Reef and Salt-Gila Aqueducts will continue. Construction will continue on pumps, motors, and valves for Brady, Picacho, and Red Rock Pumping Plants; Brady and Red Rock Pumping Plant structures; Tucson Aqueduct Reach 1, station 402 to 661; Tucson Aqueduct Reaches 2 and 3; Santa Rosa canal Divisions A and B; programmable master supervisory control system. Preconstruction activities and preparation of the draft environmental impact statement for the Upper Gila Division will continue. Preconstruction activities will continue on the Indian Distribution Division and Regulatory Storage Division. Studies on the Middle Gila River Division will continue.

QUESTION 138 ATTACHMENT

Contracts will be awarded for completion of the Brady, Picacho, and Red Rock Pumping Plants and the Ak-Chin On-Reservation Indian Distribution System.

Central Arizona Project - Non-Indian Distribution Systems (Arizona, New Mexico)

Fiscal Year 1985	$55,050,000
Fiscal Year 1986	$38,800,000

The amount of $38,800,000 is allocated for work in Arizona. Construction will be completed on the Harquahala Valley Irrigation District, Tonopah Irrigation District, and Chapperral City Water Company Systems. Construction will be completed on lateral systems A and B and pipeline lateral D for New Magma Irrigation and Drainage District; Phase 1 pipeline for Queen Creek, Chandler Heights Citrus, and San Tan Irrigation Districts; and Main canal for HoHoKam Irrigation and Drainage District.

Preconstruction activities will continue on the remaining Non-Indian Distribution Systems. Construction will continue on the Santa Rosa canal-Divisions A and B, lateral systems C and D and supervisory control systems for New Magma Irrigation and Drainage District, and Santa Rosa Distribution System Unit 1 for Maricopa-Stanfield Irrigation and Drainage District.

Fiscal Year 1985	$26,463,000
Fiscal Year 1986	$22,000,000

The amount of $21,909,000 is allocated for work in Arizona and $91,000 for work in California. Work will continue on contracts for mitigation measures in Arizona and California and on the Irrigation Efficiency and Improvement program. Other contracts for the Yuma Desalting Plant and furnishing plant equipment will continue.

Colorado River Front Work and Levee System (Arizona-California-Nevada)

Fiscal Year 1985	$16,500,000
Fiscal Year 1986	$17,371,000

The amount of $10,422,000 is allocated for work in Arizona; $5,211,000 for work in California; and $1,738,000 for work in Nevada. Work for riprap protection of existing levees located along parts of the Colorado River from Davis Dam to the southerly International Boundary with Mexico continues. Work continues on repair of river facilities and waterways (damaged by high riverflows during the summer of 1983) to protect against further bankline erosion. Work to provide river control and channel rectification to protect against further damage will begin with the construction contract awards in the Needles area.

RESPONSE TO QUESTIONS FROM
SENATOR DeCONCINI

139. Arizona water interests are in the process of reviewing a local financial proposal to allow an expedited completion of Plan 6, the Central Arizona Project Regulatory Storage Division. Could you provide me with some indication of how much cost-sharing on a project the size of Plan 6 would be sufficient to assure a consistent Federal funding request to complete the project over the next several years? Do you believe any portion of a reclamation project that can be allocated to the purpose of flood control should be subjected to any type of local reimbursement? If yes, in what types of cases?

Answer: The Department advises that the Arizona Department of Water Resources has just completed a report which describes a range of options for financing Plan 6 of the CAP. I understand the report will be the basis for public discussion and review. I am advised that the Department of the Interior also has developed options for financing Plan 6 which I will be reviewing over the next few months. I do not wish to prejudice the negotiations that will take place in the future by presently putting a specific dollar figure on the non-federal contributions necessary to ensure a timely completion of Plan 6. However, it is my belief that those contributions will have to be substantial in relationship to the federal investment committed to Plan 6.

I believe local funding and/or repayment of flood control costs should be seriously considered. This is particularly relevant in the situation where flood control benefits can be clearly associated with a local area, and local governmental and financial mechanisms can be activated to secure financial participation in the provision of those benefits.

140. Do you have any views on the proposed merging of Corps of Engineers and Bureau of Reclamation functions? If yes, could you comment on this proposal?

Answer: I understand the Bureau of Reclamation and the Army Corps of Engineers, with the cooperation of the Office of Management and Budget, have conducted an evaluation of the proposed merger of these two agencies. My information is that, generally, the analysis of the merger options has shown that the nature of the functions of the Bureau and of the Corps is sufficiently diverse and interdependent with other missions of these agencies that a merger would not make programmatic sense. Additionally, I am informed, the analysis indicates that the costs from a merger would exceed the savings through fiscal year 1988.

I would like to become better informed on these matters before taking a definitive position about specific proposals.

141. Could you provide some indication of how you see your role as Secretary in regard to the Federal Government's trust responsibilities and what the Department's policies and funding priorities might be?

Answer: The Secretary of the Interior has special responsibilities to American Indians, Native Americans, and the people of the Territories. In my testimony I reaffirmed my commitments to the government-to-government relationship of Indian Tribes with the United States and to the Tribes' economic development. It remains our goal to turn the ideals of self-determination for Indian Tribes into reality. We also will work toward the President's goal of economic self-sufficiency and governmental self-determination for the people of the Territories. I will support the necessary level of fundings to achieve these objectives.

142. What role do you see for the States in water resources planning and the planning of water resource development programs?

Answer: I believe that involvement of the States is an important and necessary aspect of the total planning process for all federal water resources development projects.

RESPONSE TO QUESTIONS FROM
SENATOR DeCONCINI

143. Would you support increased funding for water research and study programs and for state water research centers?

Answer: I believe that, within the budgetary constraints that currently exist, the Department should continue to seek an appropriate level of funding for water research. I understand the United States Geological Survey fiscal year 1986 budget includes funding for water research activities.

144. Would you be prepared to support funding for the WPRS Safety of Dams Programs?

Answer: Yes. The Administration's water policy clearly calls for safety problems at federal dams to be correted as expeditiously as possible. The President's budget for fiscal year 1986 includes funding for the Bureau of Reclamation's Safety of Dams Program for those dams with completed safety modification reports.

145. In the same vein, do you support funding for the Land and Water Conservation Fund and full funding for payments-in-lieu of taxes as administered by the Department?

Answer: I support funding the Land and Water Conservation Fund to the extent it has been determined to be in the public interest to acquire specifically identified tracts of land.

It is my understanding that the payments-in-lieu of taxes program in the Bureau of Land Management is fully funded at $105 million in the proposed FY 1986 budget. In the Fish and Wildlife Service, the program is funded at $5.6 million, which I believe is the same as in FY 1985.

RESPONSE TO QUESTIONS FROM
SENATOR DeCONCINI

146. What is your position on a possible transfer of ownership of Federal lands to State ownership? On the sale of excess Federal lands?

Answer: I am committed to the fulfillment of the State Indemnity Selections that remain outstanding. This is an obligation owed to the states since their entry into the Union and should be finally met.

I only favor the sale of federal lands when the disposal criteria of the Federal Land Policy and Management Act have been met and when land use plans have been completed indicating such lands are excess to federal needs.

147. Do you have an established policy on State/Federal cost-sharing of water projects?

Answer: The Administration's water policy directs the Department to seek new partnership arrangements with states and other non-federal interests in the financing and cost sharing of new projects, taking into account prior commitments of the federal government.

RESPONSE TO QUESTIONS FROM SENATOR HEINZ

NOTE: The Department of Energy's Office of the Assistant Secretary - Nuclear Energy has furnished the following information in response to Questions 148 through 152.

148. The DOE contract is a little over $2 million to build 2 casks, about $1 million each. Yet, no one has ever built a cask for less than $3 million. Can I get, in writing, an explanation of how NUPAC can do so?

Answer: The special cask for shipping TMI-2 damaged fuel differs in size and weight from typical spent fuel casks. Since the TMI-2 reactor had only been in operation for a few months when the accident occurred, the heat load and specific radiation level of the damaged fuel is less than that of typical fuel elements which have reached the end of their design lifetime. In addition, the fuel will have cooled approximately 7 years by the time fuel shipments begin. Therefore, the TMI shipping cask does not have to be as massive as conventional shipping casks to meet the same NRC shielding requirements.

With respect to the cost per cask, several vendors independently submitted competitive bids in the same range. The NUPAC bid for the TMI cask also is in the same range on a dollars-per-pound-basis as a similar cask for the Fast Flux Test Facility which they built and licensed to current NRC regulations. This combines to give us confidence with respect to the cost of the cask.

In addition, the contract is a fixed price, incentive contract. The fixed price nature of the contract reduces the financial risk to the Government. NUPAC's ability to absorb the financial risk has been ensured by the guarantee of its parent company, Pacific Nuclear, to the extent of $5 million. (See also Answer to Question 150).

RESPONSE TO QUESTIONS FROM
SENATOR HEINZ

149. NRC certification is a long process, taking 18-36 months. Yet, scheduled delivery on the cask is December 1985, 11 months from now. Can I get, in writing, an explanation of why DOE thinks NRC certification will take less time:

Answer: The Chairman of the Nuclear Regulatory Commission has provided written assurance that the NRC has assigned highest priority to its TMI activities, including a target schedule for licensing the TMI fuel cask in 3 to 4 months. While the staff cannot provide guarantees with respect to the time interval, they have informally agreed that the licensing schedule is attainable.

The cask bids by all vendors were based on a June 1986 delivery date. DOE's prime contractor for TMI work (EG&G) is contracting with NUPAC to accelerate delivery of the first cask to December 1985. NUPAC has been actively consulting with NRC to ensure that the cask design is such that its analysis against NRC criteria would be straightforward. As part of this consulting, NUPAC has agreed with an NRC suggestion to perform a series of drop tests of a one-quarter scale model of the shipping casks. These tests should verify design and analysis assumptions; substantiate assumptions to NRC satisfaction; and satisfy possible public concerns for the validity and integrity of cask safety demonstration efforts. NUPAC is consulting with NRC in the formulation of the test design and experimental program to accomplish these objectives.

This positive interaction with the NRC should result in cask certification to support cask delivery on an accelerated schedule as follows: The Safety Analysis Report and formal certification request to NRC will occur in late March 1985, with approval anticipated no later than September 1985. Long lead material is being ordered in February, in parallel with the certification process. Actual fabrication will be completed between September and December 1985 for the first cask. This is a reasonable time frame. The second cask is scheduled for delivery in January 1986. Fuel shipments will begin in March 1986.

In relation to other fuel casks, the TMI-2 fuel cask must meet a special NRC requirement for a "double seal" because of the damaged fuel condition. There is no existing cask meeting this requirement. The new cask design proposed by NUPAC was technically evaluated as the only one fully meeting the special "double seal" requirements. (NUPAC was also the low bidder.)

The NRC staff has agreed that any existing cask modified to meet the "double seal" requirement would need the same type of licensing review as will the NUPAC cask. If licensing problems were to develop, they would be as likely to develop on the re-licensing of an existing modified cask as in licensing of the new cask.

The NRC Chairman agrees that this schedule will assure there is no delay in the completion of defueling, scheduled for October 1987.

150. The parent company of NUPAC has passed a resolution guaranteeing the contract up to $5 million. It's a good idea, but no one has ever told me, in writing, how it would work. I'd like that.

Answer: NUPAC is a wholly owned subsidiary of Pacific Nuclear Systems, Incorporated, who has agreed to underwrite NUPAC's costs up to $5 million (twice the value of the contract). This guarantee ensures that NUPAC will have sufficient capital to provide the casks on the contracted schedule. The Pacific Nuclear guarantee was made by vote of the Board of Directors and is legally binding. EG&G, DOE's prime contractor for TMI activities, has formally accepted the guarantee. Pacific Nuclear has assets in excess of $10 million and has a net worth in excess of the guarantee amount. The resolution guarantees NUPAC's performance and obligations. The General Counsel for the Department of Energy informs me that the resolution would support recovery by the Government if NUPAC fails to perform the conditions of its contract.

In addition, the Government (through EG&G) will make no progress payments for the cask design and engineering effort until a Certificate of Compliance has been received from NRC. This action both minimizes the Government's economic risk and puts additional time pressure on NUPAC to perform. NUPAC has evidenced its ability to supply adequate funds to complete the contract without progress payments.

151. DOE has informed my staff, verbally, that no paper trail exists tracing the decision to select a new cask when, until March 1984, the preferred option was redesign of the M130. That's very difficult for me to believe. I've asked for those documents, and if they aren't there, I would like a written response saying so.

Answer: I am informed that a substantial amount of documentation exists relative to the decision process leading to the selection of the shipping cask for the TMI-2 damaged core; that a number of documents were supplied in response to your letter of November 27, 1984; and that the Department of Energy has offered your staff access to any additional documents since the bid protest (by an unsuccessful offeror) recently has been disallowed by GAO.

I interpret your question as referring primarily to the decision not to use an M130 cask (the type used in the Naval Nuclear Propulsion Program). It should be noted that, at one point, the use of an M130 cask was called a "preferred" alternative by one of the Department's consulting contractors, but this was not a DOE management conclusion. I am advised that the Department provided your staff a copy of another consultant's (Sandia) report dated February 1984, which concluded there would be no advantage to the use of an existing cask vis-a-vis a new cask in the licensing process, since no existing cask (including the M130 type) could be used for shipment of the TMI fuel without modification.

I have been advised that decisions with respect to the potential use of the M130 casks were made in oral discussions between senior DOE officials (Deputy Director, Naval Nuclear Propulsion Program and Director, Office of Terminal Waste Disposal and Remedial Action) and, therefore, there are no additional existing documents relative to the use of these casks.

152. NUPAC has designed and built truck casks, and packages for smaller radioactive items -- x-rays and the like. I just don't understand what made DOE think they were the most qualified to build a railroad cask. The company chosen has little in the way of assets, and I am naturally concerned.

Answer: NUPAC's bid was the only bid which was technically responsive to the request for proposal, specifically with respect to the method of providing double containment and leak tightness of seal. Its bid price is viewed as being in line with other proposals even though it was the low bid.

The Department believes the most difficult challenges in providing this cask will be to design and license the cask to current NRC regulations. In the Department's opinion, these challenges do not appear to be size dependent. The key design features have been tested and certified to current NRC regulations for the similar truck casks furnished by NUPAC for Fast Flux Test Facility (FFTF) fuel elements. The fabrication of the cask, which could be considered size dependent, should be relatively straightforward; differences between truck and railroad car mounting are not significant.

In addition to NUPAC's experience on the similar cask for FFTF fuel elements, NUPAC has produced over 980 casks and shipping containers since 1975. Fifteen NUPAC containers currently are licensed by the NRC, and, 14 new certificates of compliance have been granted by the NRC on NUPAC containers in the last 18 months. Although these recent certificates were obtained for low-level waste casks, the Department believes this demonstrates substantial experience by NUPAC in working with the NRC.

The above facts give the Department of Energy confidence that NUPAC is qualified to produce the casks.

153. Finally, I'm concerned about the way DOE handles other procurements. There seems to be no set pattern and I'm afraid we may be wasting quite a bit of money under the way things are done now.

Answer: All DOE procurements of goods and services are required to be in accordance with Federal and DOE acquisition regulations. All prime operating contractors are required to acquire goods and services in accordance with DOE approved procedures. By complying with existing statutes, regulations, and procedures and by maximizing competition, I believe the Department is achieving its objective of obtaining goods and services which meet Departmental programmatic requirements at fair and reasonable prices.

Appendix III

Additional Statements and Communications Submitted for the Record

---

STATEMENT BY

CONFERENCE OF NATIONAL PARK CONCESSIONERS

ALLAN T. HOWE, WASHINGTON REPRESENTATIVE

ON THE

NOMINATION OF DONALD P. HODEL, SECRETARY OF INTERIOR

UNITED STATES SENATE

ENERGY AND NATURAL RESOURCES COMMITTEE

FEBRUARY 1, 1985

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

It is my pleasure as the Washington Representative of the Conference of National Park Concessioners to submit this statement to you as you deliberate the nomination by the President of Donald P. Hodel to be the next Secretary of Interior

Following my service as a Member of the U. S. House of Representatives, it has been my honor to represent the business organizations and the men and women who serve them, who comprise the membership of the Conference of National Park Concessioners. In our organization are over one hundred of the concessioners within the National Park System, including all of the major concessioners. These businesses are engaged in serving the visitors to the many units of our National Park System and as such are vitally concerned with the strength and conduct of the National Park Service and the U. S. Department of Interior. I enjoy the best of all worlds for an attorney in Washington, D. C. - to represent an outstanding organization of dedicated companies and people who serve a cause in which I deeply believe.

Our organization is committed to the preservation, good management and balanced visitor use of our National Park System. They are committed to providing the services required for the comfort, enjoyment and safe use of our National Parks by the thousands of visitors who enjoy their beauty and grandeur each year. As businesspeople we are vitally interested in a consistent and honest policy by the government in the administration of the contracts signed for the provision of these services.

The basic law governing concessions in the National Park System is embodied in Public Law 89-249. We feel that it is a sound law developed over many years of experimentation, trial and error, and that the basic tenents of that policy are still valid. Indeed, our main plea is that we can best serve the visitors when the National Park Service administers its policy and contracts with concessioners in strict accordance with that law. The problems that have arisen in the past center around attempts to deviate from the wise guidelines of P. L. 89-249.

I trust that the committee finds that brief background for our concern over the matter before them helpful. Our organization has worked with many Secretaries of Interior, all successfully. But the National Park Service and the services provided by our membership to the visitors in National Parks has had its best times when the Secretary of Interior has paid close attention to the importance of his trust and duty regarding these national treasures. President Reagan has brought an insistence for the principle of thoughtful, business-like, conduct to our federal government. Fortunately, that policy has found its way into the administration of the National Park Service and the Department of Interior and we hope that it will continue.

With some of the concerns spoken of before in mind, we have examined the credentials of Donald P. Hodel to become the next Secretary of Interior. We believe he possesses excellent qualifications and experience to be an outstanding Secretary and we endorse his nomination without reservation. As a former Undersecretary in the Department of Interior and as the present Secretary of Energy, he has a proven record for fair administration, efficiency, and balance between competing worthy objectives. From his background before government service, we believe that he knows and understands the importance of the responsibilities of the Department of Interior, and of particular interest to us, the great value and high importance of the units of our National Park System. As a government official in recent years, we believe that his understanding and knowledge has been sharpened and broadend so that he now comes to this point with one of the finest possible preparations for his new assignment.

One of the most important tasks the new Secretary of Interior must face is the selection of a new Director of the National Park Service. We are confident Secretary Hodel will choose someone qualified by experience in National Park matters who possesses the wisdom, judgment and balance to handle the delicate balance that must be continued between preservation, conservation and wise use by the public of our National Park System. We pledge our assistance to him in any way we can in making that important choice.

In conclusion, Mr. Chairman and Members of the Committee, the Conference of National Park Concessioners is happy to join with many others appearing before the Committee to endorse President Reagan's nomination of Donald P. Hodel as the next Secretary of Interior. We further predict that he will, if confirmed by the Senate, be an outstanding Secretary and we pledge our cooperation and help to him in his future administration.

al Committee File

SENATE COMMITTEE ON
ENERGY AND NATURAL RESOURCES
RECEIVED
FEB [illegible]
WASHINGTON, D.C. 20510

STATEMENT OF CHARLES D. MATTHEWS

PRESIDENT

NATIONAL OCEAN INDUSTRIES ASSOCIATION

Hearing Before the Committee on
Energy and Natural Resources
United States Senate

On the
Proposed Nomination of Donald P. Hodel
To Be Secretary of the Interior

Washington, D.C.
February 1, 1985

Mr. Chairman and members of the Committee, my name is Charles D. Matthews and I am President of the National Ocean Industries Association. It is a privilege to support the nomination of Donald Paul Hodel to be Secretary of the Interior.

NOIA's 450 member companies are located in 37 states and represent all facets of the offshore and ocean-oriented industries. The Association is dedicated to the belief that the ocean's resources can and must play an increasingly important role in the continued growth and development of America. We are committed to protecting the marine environment and maintaining a clean ocean for everyone's enjoyment and use. We also support government policies which encourage the balanced multiple use of our marine resources and allow industries to develop improved technology, safety procedures, and conservation practices, necessary to discover and recover our energy resources on the Outer Continental Shelf. Because the offshore lands are an integral part of the public domain over which the Secretary of the Interior has jurisdiction, we are concerned about the person nominated to this important post.

In recent memory, few persons have been so perfectly groomed to carry out the ideological commitments of an administration to sound conservation and proper development of our natural resources as Donald Hodel. Upon confirmation by the Senate, he will assume his new position bolstered by an impressively strong energy and resource background.

I can speak with strong personal knowledge of his experience and ability for I have known and worked directly with him for about 15 years. Donald Hodel is a man of intelligence and impeccable honesty and unassailable integrity. He is a strong man of good will and loyalty to his family and to his nation.

Donald Hodel is an outstanding attorney who has served with distinction as Deputy Administrator and then Administrator of the Bonneville Power Administration. He was President of the National Electric Reliability Council, and a private consultant on energy before returning to government service as Under Secretary of the Interior at the outset of President Reagan's first term. During this latter service in the Interior Department, he again proved himself to be the accomplished manager by taking a major role in shaping a number of issues of critical importance to the ocean industries including the Five-Year OCS Leasing Program.

Donald Hodel did a very careful job of formulating a positive and balanced OCS Leasing Program which, if allowed to continue as it was promulgated, would have helped inventory the nation's energy resources more fully and contributed to greater energy independence while protecting the environment. The OCS Program has maintained an enviable environmental record throughout its history and NOIA members are proud to be a part of this tradition.

The area-wide concept of considering potential lease sales gave industry a more prominent role in identifying OCS acreage that has potential for producing commercial quantities of oil and gas. This brilliant new approach forced industry to take more responsibility for developing exploration strategies which has resulted in new discoveries and new activities in areas previously overlooked.

Economic and national security gains to the nation had been fully analyzed during the process of implementing the leasing schedule. These elements, many of which were initiated by Don Hodel, were not adequately assessed in previous OCS leasing programs and it is gratifying for us to see the clarification in the existing program we have today.

There is no question the offshore industries can meet the demands placed upon them by the new leasing schedule. Our industry's growth in trained manpower and the commitments that have been made for rigs, equipment, and supplies demonstrate our confidence in the continued development of our ocean resources.

Knowing Don Hodel as I do, I know that as Secretary, he will listen to all points of view and maintain a balanced perspective as he carries out his special management responsibilities of preserving our nation's scenic beauty and fostering the development of publicly-owned mineral resources.

Secretary William Clark brought to Interior an unobtrusive and conciliatory style that helped balance the nation's varied interests with respect to OCS development. Donald Hodel will continue that style in carrying out the President's program on energy and natural resource issues arising in the Department of the Interiors.

Mr. Chairman, NOIA is confident that Don Hodel will provide the kind of steady and objective leadership necessary to guide the Department of the Interior in the years ahead with balance and sensitivity towards this nation's natural resources and their role in America's future. Therefore, with pride, we respectfully urge this distinguished committee to confirm the nomination of Donald Paul Hodel as the next Secretary of the Interior.

ENVIRONMENTAL POLICY INSTITUTE

LOUISE C. DUNLAP
President

TESTIMONY OF
LOUISE C. DUNLAP
BEFORE THE
SENATE ENERGY COMMITTEE
CONCERNING
THE NOMINATION OF
DONALD HODEL

February 1, 1985

Mr. Chairman and members of the Committee, I appreciate this opportunity to present the views of the Environmental Policy Institute on the nomination of Donald Hodel to become Secretary of Interior.

It is unfortunate that the Environmental Policy Institute finds it necessary to oppose for the third time President Reagan's selection for Secretary of Interior. In the case of James Watt, we underestimated his lack of respect for key environmental laws and any interest in formulating balanced natural resource policies which would fairly deal with the multiple legitimate interests of those affected by Interior Department policies and actions. In the case of William Clark, we were pleasantly surprised at his interest in considering the views of all interested parties, and

218 D Street, S.E., Washington, D.C. 20003 (202) 544-2600

publicly applauded some of his actions, although he never got around to addressing the serious generic problems of the Watt-Hodel OCS, coal leasing and strip mine programs. In the case of Donald Hodel, nothing would please us more than to be proven wrong in our concerns about the track record and attitude of the proposed new Secretary.

We are quite aware that the Senate seems inclined to provide Mr. Hodel with an expeditious confirmation. Yet, Mr. Hodel's track record at Bonneville Power Authority, Interior and DOE necessitate concern and the need for the Senate to gain clarification of his priorities prior to confirmation.

The new Secretary of Interior will not be afforded the luxury of coasting in a second term, simply carrying out the policies of the first term. This is because nearly all the Watt-Hodel initiatives, particularly those in the OCS, coal leasing and strip mine areas have been discredited. They have been discredited for being impractical, illogical or illegal. And these conclusions have not been drawn exclusively from within the environmental community. They have been the conclusions of Congress, state governments, the courts, diverse interests of citizens and even some industry interests. Of great concern to the Environmental Policy Institute is the fact that Mr. Hodel was a full and willing participant, if not an originator, of much of these seriously flawed programs at the Interior Department as Undersecretary to James Watt.

The disturbing thread in Mr. Hodel's career is not simply his chronic disregard for balanced natural resource public policies, but, his willingness to bring about Federal preemptive actions at the expense of state and tribal governments.

THE BONNEVILLE EXPERIENCE

Mr. Hodel's demonstrated affinity for bad business decisions is also a cause for lack of confidence in his ability to run the Interior Department. While presiding over the Bonneville Power Authority, he repeatedly ignored published studies warning that his power need projections were dangerously on the high end and began an aggressive campaign to pressure utilities in the Northwest to sign on to the simultaneous construction of five nuclear power plants, known as WPPSS(Washington Public Power Supply System). The rest is history. Mr. Hodel's insistence on relying on what industry tells him, labeling environmentalists as a ".....small, arrogant faction which is dedicated to bringing our society to a halt" as he did in a 1975 speech, has left the Northwestern states in financial shambles.

NUCLEAR WASTE POLICIES

Mr. Hodel's record at the Energy Department unfortunately does not provide new comfort. His disrespect for the Nuclear Waste Policy Act of 1982 was reflected in his rejection of serious substantive problems raised by affected states and Indian tribes. Mr. Hodel has instilled a "government knows best" approach to Federal nuclear waste policies, making a mockery of the Reagan Administration's " new federalism". He has ignored directives by Congress to change past management failures of DOE's nuclear waste program by treating the legal requirements of the 1982 nuclear waste law as obstacles to overcome rather than Congressional mandates with which to comply.

It is, at the very least, disconcerting that a former Undersecretary of Interior, now nominated by the President to become Secretary, would propose serious consideration of a nuclear waste repository site within two miles of a national park, in this case, Canyonlands National Park.

OUTER CONTINENTAL SHELF LEASING PROGRAM

Mr. Hodel's previous association with the Watt OCS leasing program is, at best, unsettling. The current OCS leasing program is a mirror of the Department's other discredited mineral leasing program--federal coal. Lack of competition, flagging industry interest, and depressed world petroleum markets have led to record low prices being paid for leases in known producing areas such as the Gulf of Mexico. In addition, the area-wide leasing concept has been opposed at one time or another by virtually every OCS leasing state, including such traditional strong supporters as Texas and Louisiana. There is no indication that this program has or will lead to an increase in OCS production any better than a more moderate plan would have. What is clear is that this program has violated the Congressional mandate spelled out in the Outer Continental Shelf Leasing Act of 1978 which requires the Department to obtain fair market value for these important resources while meeting the nation's energy security needs.

What Congress should look for in a new Secretary is, at the very least, a balanced approach to resource management, not a return to an ideologically driven effort to transfer public resources to private hands at the lowest possible price. There is a reasonable middle ground, one which allows for orderly development of OCS resources while protecting environmental values, and at the same time, enhancing the nation's energy security. Following the Secretary's confirmation, Congress should demand a thorough evaluation of the goals, assumptions and administration driving the current OCS leasing program before embarking on the next five-year program.

There is simply no need to continue leasing on the Outer Continental Shelf at the present levels. The industry today possesses the greatest number of undeveloped leases in the history of the program, with non-producing leases outnumbering producing leases by over 2:1. Given present or foreseeable petroleum market conditions and the availability of offshore drilling rigs, it is very possible that many of the leases now held may not meet diligence requirements in the future. Leasing should be indexed to the capacity of the industry to develop offshore reserves and the capacity of the impacted natural resources to sustain certain levels of development rather than be driven by an ideological commitment to privatize public resources.

What is needed is a return to a more moderate approach to leasing of offshore reserves, along the lines of the previous Administration's program. Rather than area wide offerings, smaller, more geographically coherent offerings should be put up for lease. This would give the Mineral Management Service a better opportunity to assess the environmental and resource potential of individual tracts as mandated by Congress, give the affected states a better opportunity to plan for potential development off their coasts, and give the public a more meaningful role in commenting on the proposed sale.

FEDERAL COAL LEASING POLICY

One of the most irresponsible actions of the Watt-Hodel Interior Department was its attempt to accelerate federal coal lease sales to historically unprecedented levels. This decison to commit the government to a wholesale transfer of public resources to the private sector with little or no concern for the public interest, other affected private interests or the impact on ther resources was made while Mr. Hodel served as Undersecretary.

Ignoring the fact that the market for coal from all sources was in a depressed condition, Interior decided to move ahead and hold the largest federal coal sale in history--the Powder River Basin sale. This sale was characterized by lack of competition for tracts, with most bids at or below minimum levels set for the sale. Of equal importance, dubious conduct of Interior Department officials led to an investigation of possible improprieties. Studies by the Office of Technology Assessment and the report of the Linowes Commission have found the program flawed in virtually every aspect of its concept and administration.

The Federal Coal Leasing Program is currently being reviewed by the Department of Interior and, for the third time since the completion of the 1979 Federal Coal Leasing Environmental Impact Statement, it is destined for significant changes. Over the past five years predictions of major new demands for production of federal coal have not materialized. Clearly, those estimates were unrealistic, given today's soft coal market, particularly the export market. The Office of Technology Assessment's 1981 report, Assessment of Development and Production Potential of Federal Coal Leases stated that "...potential for continued overcapacity in the Powder River Basin over the next 10 years has caused questions to be raised about the timing, extent, and location of large-scale leasing under the new Federal coal management program."

The Department's submittal of the draft environmental impact statement on the Federal Coal Management Program earlier this month must be commended for the accelerated effort it applied to the statement's completion. From the start, Secretary Clark has exhibited a willingness to take public comments from all concerned on all matters regarding the shaping of the new program. We urge Mr. Hodel to continue with this spirit of openness to the views of the public while maintaining the high priority his predecessor gave to this issue.

Environmental organizations continue to play a constructive role in the coal leasing debate.As members of this committee are aware, the Environmental Policy Institute has had a longstanding presence in these legislative negotiations and continues to be involved in the implementation of the federal coal surface mining reclamation law. EPI's support for a coal leasing moratorium has only occured in the early 1970's and again in the early 1980's when the Interior Department refused to apply balanced resource management policies to its coal leasing program.

NEPA requires the Department to analyze and consider alternative programs for the management of federal coal. Recently Secretary Clark announced his intention to consider alternatives including the option of no leasing. We recommend that the new Secretary consider a further alternative which would have the leasing level determined by the actual need for increased coal production. This approach would tie leasing decisions to the demonstrated market demand for the coal. Further, a new Federal coal leasing policy must integrate comprehensive land use planning in the leasing decisions. By reviewing resource data and matching it with investigation of the suitability of federal coal lands for mining and reclamation, the Secretary would have a sound economic and environmental basis upon which to make lease-tract selections. Protection of the rights of surface owners and adequate public participation in the review process are also integral components of a balanced coal leasing program.

In the 1970's, the Interior Department's coal leasing program was brought to a grinding halt through a leasing moratorium due to the Department's insistence on leasing in response to industry demand rather than leasing for need following the evaluation of other uses of natural resources in the potential leasing areas. Under the Watt-Hodel Administration, the Interior Department was so zealous in its efforts to transfer public resources to the private sector that it did not even lease on demand as was the pattern in the 1960's. The Watt-Hodel administration simply leased regardless of environmental consequences and regardless of industry interest.

OFFICE OF SURFACE MINING POLICY

The Office of Surface Mining's (OSM) ability to adequately implement and enforce the Federal Surface Mine Control and Reclamation Act of 1977 continues to remain a serious concern. Following its destructive reorganization during 1981, wherein over 50% of its most experienced personnel were forced to leave OSM,the Office remains crippled, demoralized and understaffed.

OSM has been subjected to continued litigation resulting from former Secretary Watt's ill-conceived attempts to scuttle its mission to enforce the law. Its attempts to rewrite the federal surface mining regulations have been repudiated by court decisions. Furthermore, due to additional litigation brought by citizens groups, OSM has been ordered by the court to aggressively move to collect more than $100 million in outstanding violation fines imposed upon surface mine operators who continue to mine contrary to the provisions of the law. OSM's own internal evaluation reports indicate that every state reclamation program continues to experience significant failure to meet legal responsibilities for primacy, yet, OSM has been reluctant to move against them. OSM's collection and detection of outstanding Abandoned Mine Land Fund fees is an on-going problem which the Office has yet to correct.

Due to OSM's inability to oversee adequately state compliance with the law, and its reluctance to enforce the law when problems occur, mining abuses on a scale known only in the days prior to the federal law's enactment are again being witnessed. In Kentucky, for example, the state has a two year history of illegally permitting over 1,000 surface mines to operate under the two acre exemption despite the fact their operations are in excess of the acreage limitation. In addition, the state is repeatedly granting thousands of illegal coal exploration permits to operators mining significant amounts of coal for the commerical market without having to comply with the Act's reclamation standards. Both types of mining practices, with the apparent knowledge of the Kentucky officials, are responsible for land destruction and environmental impacts seldom experienced since the Act was passed in 1977.

Faced with these immense compliance problems, OSM appears to be directionless and incapable of taking the necessary corrective steps. New management changes have been made with no noticeable improvement in the implementation of the reclamation law.

Upon his arrival at the Department of Interior, Secretary Clark often found it necessary to personally involve himself with OSM's decision-making. Secretary Clark is to be commended for his attempts to settle some of the outstanding litigation against OSM as well as to resolve issues of controversy. His intervention gave hope that the Office could again get on its feet and fulfill its legal responsibilities. However, with the announcement of his departure, OSM is, once again, sinking into a bureaucratic limbo.

Therefore, we strongly urge Mr. Hodel to initiate a thorough review of the Office and its performance, make personnel changes where necessary and, until the serious problems are corrected, personally involve himself in the decision-making. We also encourage Mr. Hodel to hold open the door to the public as did his predecessor, Judge Clark, so that public concerns will be treated in a responsive manner rather than being swept aside. Citizens in the coalfields are aware of the Office of Surface Mining's failure to adhere to the intent of the federal law and continued disregard by OSM of its enforcement responsibilities cannot be tolerated. It would be prudent for Mr. Hodel to act quickly and give OSM the direction and support that is shamefully and and support unecessarily lacking.

Obviously, if Mr. Hodel becomes Secretary of Interior the Environmental Policy Institute will endeavour to work with him to bring about balanced and fair natural resource public policies. Critical to this effort will be his ability to honestly assess, difficult as it will be, the impractical, illogical and illegal aspects of policies and programs developed at Interior while he served as Undersecretary. It will also require his willingness tc be open to consider those policies which have achieved a balance between conservation and development in the past regardless of the Administration under which they were sponsored.

AMA
AMERICAN MOTORCYCLIST ASSOCIATION
P.O. Box 141, Westerville, Ohio 43081 Telephone (614) 891-2425 Telex: 245392

January 30, 1985

Official Committee File

SENATE COMMITTEE ON
ENERGY AND NATURAL RESOURCES
FEB
WASHINGTON, DC 20510

The Honorable James A. McClure, Chairman
Committee on Energy and Natural Resources
U.S. Senate
360 Senate Dirksen Office Building
Washington, D.C. 20510

Attn: Mr. Richard D. Grundy, Budget Officer

Dear Senator McClure:

The American Motorcyclist Association is a national organization comprised of 137,000 enthusiasts who use their vehicles for transportation and recreation. It has been our pleasure to have had the opportunity to work with Secretary of Interior designate, Don Hodel, during his tenure as Energy Secretary and as former Under-Secretary of Interior. We would like to offer our endorsement of Mr. Hodel as Secretary of Interior and encourage his swift confirmation by the Senate.

Mr. Hodel's knowledge of Interior functions and personal interest in recreation make him a strong choice by organizations interested in our public lands. These attributes, when combined with his enthusiasm for public and private partnerships, have convinced us that he will carry out the responsibilities required of a Secretary of Interior with great confidence and competence.

On behalf of the American Motorcyclist Association, we urge you to move quickly to confirm Mr. Don Hodel as Secretary of Interior.

Sincerely yours,

Robert Rasor

Robert Rasor
Vice President
Government Relations

RR/tp

NERCO INC.
111 S.W. COLUMBIA, SUITE 800
PORTLAND, OREGON 97201
TELECOPIER 503-241-2819
TELEPHONE 503-796-6600

WILLIAM W. LYONS, *VICE PRESIDENT*

NERCO

January 30, 1985

The Honorable James A. McClure
United States Senate
Washington, D. C. 20510

Dear Senator McClure:

NERCO, Inc. encourages you to support the appointment of Donald P. Hodel as Secretary of the Interior. Mr. Hodel would bring proven leadership to this office as well as a firm grasp of the issues and responsibilities which face the Department.

As a natural resources company with significant coal and minerals holdings throughout the United States, we have found Mr. Hodel to be an effective administrator who understands policy decisions affecting the conservation and development of public resources. In addition, given its large and vital role in the West, the Department of the Interior would benefit from Mr. Hodel's perspective as a westerner.

In the next few years, the Department will require well-informed and balanced leadership on vital issues affecting the national interest and our natural resources. We have no doubt that Mr. Hodel is the right man for the job.

Sincerely,

WWL:dc

/3172F

ROBERT MCLAUGHLIN CO RM
PO BOX 68
SOLEN ND 58570 01AM

Western Union Mailgram

4-0086608032 02/01/85 ICS IPMBNGZ CSP WHSB
7015443427 MGMS TDBN SOLON ND 101 02-01 1033A EST

Official Committee File
[illegible] RESOURCES
FEB
WASHINGTON, D.C. 20510

SENATOR JAMES MCCLURE
CAPITOL ONE DC 20510

HONORABLE SENATOR JAMES MCCLURE

DEAR SENATOR MCCLURE:

THE NORTH DAKOTA AMERICAN INDIAN REPUBLICAN FEDERATION SUPPORTS AND RECOMMENDS THE NOMINATION OF MR. DONALD P. HODEL FOR THE POSITION OF SECRETARY OF THE INTERIOR. MR. HODEL HAS SHOWN CONSIDERABLE CAPABILITY AS AN ADMINISTRATOR IN HIGH PUBLIC OFFICE. HE UNDERSTANDS THE PROBLEMS FACING AMERICAN INDIANS AND HAS DEMONSTRATED SKILL IN THIS AREA. WE BELIEVE MR. HODEL WILL SERVE WITH DISTINCTION AS SECRETARY OF THE INTERIOR. THANK YOU FOR THIS OPPORTUNITY TO EXPRESS OUR SUPPORT IN THIS IMPORTANT MATTER.

SIGNED:
ROBERT MCLAUGHLIN, STATE CHAIRMAN
CHASKE F. WICKS, SECRETARY TRESURER
NORTH DAKOTA AMERICAN INDIAN REPUBLICAN FEDERATION

PO BOX 68
SOLEN ND 58570

10:32 EST

MGMCOMP

American Fisheries Society
5410 Grosvenor Lane, Suite 110, Bethesda, MD 20814-2199
(301) 897-8616

WILLIAM S. PLATTS
President 1984-1985

CARL R. SULLIVAN
Executive Director

ROBERT L. KENDALL
Managing Editor

January 31, 1985

SENATE COMMITTEE ON
ENERGY AND NATURAL RESOURCES
FEB
WASHINGTON, D.C. 20510

The Honorable James A. McClure
Chairman, Senate Committee on Energy
and Natural Resources
Room SD-316
Washington, D.C. 20510

Dear Senator McClure:

The American Fisheries Society urges the confirmation of Don Hodel as Secretary of the U.S. Department of Interior.

Don Hodel's career public service record has brought credit to every agency he has served. We have been impressed by his quick and comprehensive grasp of complicated technical issues and by his ability to articulate his views. His decorum and distinguished bearing are thoroughly professional and have helped establish his strong credibility. Don Hodel is a man who knows how to make things happen.

The American Fisheries Society is deeply concerned with such aquatic resource issues as public lands management, OCS development, wetlands protection and surface mine reclamation. The Department of Interior is the key agency in all these issues and we have reason to believe that Don Hodel is a good listener who will give our views fair consideration in his decisions.

The U.S. public will be well-served by Don Hodel's confirmation.

Sincerely,

Carl R. Sullivan
Executive Director

CRS/ymw

Editorial Offices
Managing Editor; *Transactions:* PO Box 1150, Columbia, MD 21044 (301) 596-3458
North American Journal of Fisheries Management: 2677 Esch Ave., Ann Arbor, MI 48104 (313) 971-8329
Fisheries; Progressive Fish-Culturist: 5410 Grosvenor Lane, Suite 110, Bethesda, MD 20814-2199 (301) 897-8616

Travel Industry Association of America

1899 L Street
Northwest
Washington, D.C
20036

Telephone
202
293-1433

January 31, 1985

FEB

The Honorable James A. McClure
Chairman, Senate Committee on
Energy and Natural Resources
SD-358 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman McClure:

The Travel Industry Association of America (TIA) strongly endorses the candidacy of Donald P. Hodel as Secretary of the United States Department of Interior.

TIA is the umbrella association representing nearly 2,000 travel and tourism companies and organizations, including state government travel offices and local convention and visitors bureaus. Tourism in America is served by nearly a million different businesses that offer a wide range of services to the traveler. Some of these businesses are organized nationally by industry component and are represented by trade associations that promote and protect their specialized interests. However to represent the broad base of tourism, TIA deals with issues of interest and concern common to all in the travel and tourism industry.

Several years ago, while serving as Under Secretary of the Department of Interior, Mr. Hodel encouraged the establishment of an office of tourism liaison within the National Park Service. Since then, cooperative and constructive working relationships have been developed between the Park Service and the travel and tourism industry that serve the visiting public. These relationships have been and continue to be of benefit to the American public and to those who manage the national parks which they serve to protect.

National Chairman
Robert Giersdorf
President
Exploration Holidays & Cruises Divisions
of Alaska Tour & Marketing Services, Inc

First Vice Chairman
George L. Pichlmeibaum
President
American Sightseeing International

Second Vice Chairman
Gabriel Phillips
Senior Vice President — Traffic Services
Air Transport Association of America

President
William D. Toohey
Travel Industry Association of America

Secretary
William H. Thurman
Vice President & General Manager
Busch Entertainment Corporation

Treasurer
John A. Ueberroth
President
Carlson Travel Company

We appreciate this opportunity to set forth, for the record, our industry's unequivocal support for Senate confirmation of Mr. Hodel to this position. He is an extremely well qualified and experienced public servant in which we have great confidence.

Thank you for your consideration.

Sincerely,

William D. Toohey
President

WDT:tk

NAM
National Association
of Manufacturers

ALEXANDER B. TROWBRIDGE
President

Official Committee File

SENATE COMMITTEE ON
ENERGY AND NATURAL RESOURCES
RECEIVED
FEB 5 '85
WASHINGTON, D.C. 20510

January 30, 1985

The Honorable James A. McClure
Chairman
Committee on Energy and
Natural Resources
United States Senate
SD-358
Washington, DC 20510

Dear Chairman McClure:

This is to express the support of the National Association of Manufacturers for a prompt and favorable committee vote on the nomination of Donald P. Hodel to be Secretary of the Interior.

Mr. Hodel has in-depth knowledge of the issues, as well as superlative organizational and managerial skills. We are confident he can carry out the Administration's natural resources policies in the low-key, accessible and dedicated fashion for which he is noted, both at the Energy Department and at the Interior Department. He is the ideal choice to succeed William Clark, and will be an excellent steward of America's natural resources.

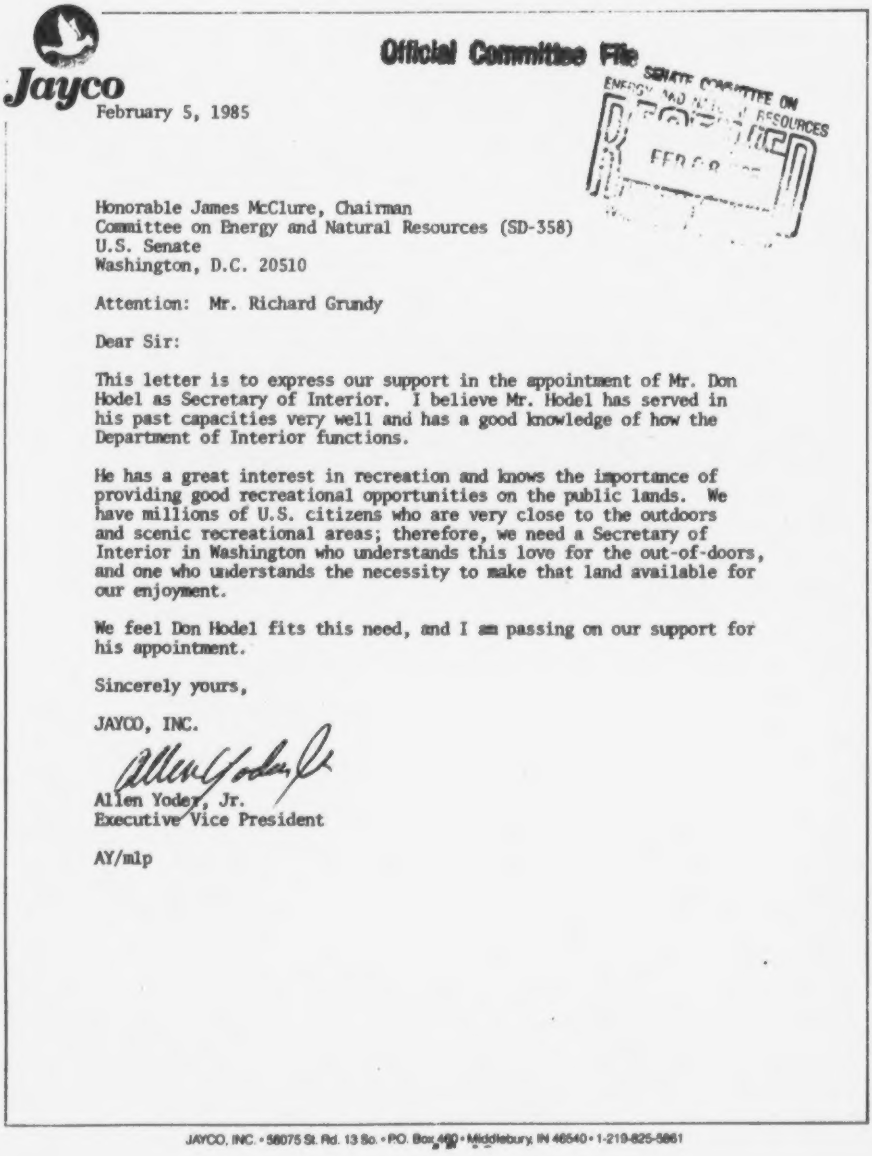
Sincerely,

AB Trowbridge

KO/mii

cc: Members, Senate Energy Committee

1776 F Street, N.W.
Washington, D.C. 20006
(202) 626-3700



Jayco

Official Committee File

SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES
RECEIVED
FEB 0 8

February 5, 1985

Honorable James McClure, Chairman
Committee on Energy and Natural Resources (SD-358)
U.S. Senate
Washington, D.C. 20510

Attention: Mr. Richard Grundy

Dear Sir:

This letter is to express our support in the appointment of Mr. Don Hodel as Secretary of Interior. I believe Mr. Hodel has served in his past capacities very well and has a good knowledge of how the Department of Interior functions.

He has a great interest in recreation and knows the importance of providing good recreational opportunities on the public lands. We have millions of U.S. citizens who are very close to the outdoors and scenic recreational areas; therefore, we need a Secretary of Interior in Washington who understands this love for the out-of-doors, and one who understands the necessity to make that land available for our enjoyment.

We feel Don Hodel fits this need, and I am passing on our support for his appointment.

Sincerely yours,

JAYCO, INC.

Allen Yoder, Jr.

Allen Yoder, Jr.
Executive Vice President

AY/mlp

JAYCO, INC. • 58075 St. Rd. 13 So. • P.O. Box 460 • Middlebury, IN 46540 • 1-219-825-5861

FLEETWOOD ENTERPRISES, INC.
POST OFFICE BOX 7638
RIVERSIDE, CALIFORNIA 92523

Official Committee File

SENATE COMMITTEE ON
ENERGY AND NATURAL RESOURCES
RECEIVED
FEB 08 1985
WASHINGTON, D.C. 20510

ELDEN L. SMITH
Vice President – Recreational
Vehicle Group

January 29, 1985

The Honorable James McClure
Chairman
Committee on Energy & Natural
Resources (SD-358)
U. S. Senate
Washington, D. C. 20510

Attention: Richard Grundy

Dear Sir:

I encourage you and your committee on Energy and Natural Resources to recommend approval of the appointment of Energy Secretary Donald Hodel to the position of Secretary of the Interior.

Secretary Hodel has indepth knowledge of the Interior Departments' functions and he is a firm supporter of fair and proper use of public lands. He knows the issues and he has proven he can manage a large complex organization.

Your support for his appointment will be appreciated.

Sincerely,

Elden L. Smith

Elden L. Smith
Vice President - RV Group

mjt

Association of American State Geologists

February 4, 1985

SENATE COMMITTEE ON
ENERGY AND NATURAL RESOURCES
FEB [illegible]
WASHINGTON, D.C. 20510

Senator James A. McClure
Chairman, Committee on Energy
and Natural Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

As President of the Association of American State Geologists, it gives me great pleasure to convey to you this message of our Association's wholehearted support of the candidacy of Donald Hodel to become Secretary of the Interior.

Mr. Hodel has impressed us over the years with his insightful grasp of natural resource issues and his recognition of their importance to our Nation, during his earlier tenure with the Department of the Interior and more recently with the Department of Energy. He has shown a capability for wise judgment in the development of policies regarding mineral resources on our Public Lands. As Secretary of the Department of Energy, Mr. Hodel has displayed an understanding of this country's future energy demands and the need for domestic policies to supply them. He has also led the Department of Energy to move more decisively than ever before in the pursuit of a permanent solution to our national challenge to satisfactorily dispose of nuclear radioactive wastes.

We advocate a prompt confirmation of Mr. Hodel and look forward to his leadership of the Department of the Interior.

Thank you for consideration of our recommendation.

Sincerely yours,

James F. Davis
State Geologist of California,
President of the Association
of American State Geologists

MAILGRAM SERVICE CENTER
MIDDLETOWN, VA. 22645
04AM

Western Union Mailgram

4-0351448035 02/04/85 ICS IPMBNGZ CSP WHSB
3126096111 MGMB TDBN HIGHLAND PARK IL 221 02-04 0205P CST

Committee File

HONORABLE JAMES MCCLURE, CHAIRMAN
COMMITTEE ON ENERGY AND NATURAL RESOURCES
(SD-358), ATTN RICHARD GRUNDY
US SENATE
WASHINGTON DC 20510

SENATE COMMITTEE ON
ENERGY AND NATURAL RESOURCES
FEB

THE BOATING TRADES ASSOCIATION OF METROPOLITAN HOUSTON, OF WHICH I AM PRESIDENT, WISHES TO GO ON RECORD AS STRONGLY ENDORSING DONALD HODEL FOR THE POST OF SECRETARY OF THE INTERIOR, HE IS A MAN OF GREAT INTEGRITY AND WOULD SERVE IN THAT POST WITH DISTINCTION, OUR ASSOCIATION BELIEVES THAT MR HODEL IS WELL QUALIFIED BY EXPERIENCE, TEMPERAMENT, AND PERSONAL INTEREST TO CONDUCT THE AFFAIRS OF THE INTERIOR DEPARTMENT WITH EXPERTISE AND OUTSTANDING LEADERSHIP. HE HAS IN DEPTH KNOWLEDGE OF THE FUNCTIONS OF THE INTERIOR DEPARTMENT, HE IS SENSATIVE TO THE NEEDS OF THE COUNTRY FOR WILDERNESS AREAS AND TO THE NEEDS OF THE AMERICAN PEOPLE FOR RECREATIONAL FACILITIES, AND HE HAS GREAT PERSONAL INTEREST IN OUTDOOR ACTIVITIES. HE HAS OUR COMPLETE TRUST AND CONFIDENCE. WE BELIEVE HE WILL FULFILL THE DUTIES OF THE OFFICE WITH EXCEPTIONAL ABILITY. OUR ASSOCIATION, MADE UP OF MEN AND WOMEN ENGAGED IN ALL SEGMENTS OF THE BOATING INDUSTRY, RECOMMENDS MR HODEL HIGHLY AND WITH GREAT ENTHUSIASM FOR THE POST OF SECRETARY OF THE DEPARTMENT OF INTERIOR. PLEASE CONVEY OUR WHOLE HEARTED ENDORSEMENT OF MR HODEL TO MEMBERS OF YOUR COMMITTEE.

FRED/MAUDLIN, PRESIDENT
BOATING TRADES ASSOCIATION
OF METROPOLITAN HOUSTON
2600 SOUTHWEST FREEWAY, SUITE 305
HOUSTON TX 77098
713-526-6361

15:24 EST

MGMCOMP

[illegible] Committee File

NATIONAL FOREST RECREATION ASSOCIATION
ROUTE 3, BOX 210, HIGHWAY 89 NORTH, FLAGSTAFF, AZ 86001 (602) 526-4330

RESPONSIBLE RECREATIONAL USE OF AMERICA'S PUBLIC LANDS AND WATERS

January 29, 1985

SENATE COMMITTEE ON
ENERGY AND NATURAL RESOURCES
FEB [illegible]

The Honorable James McClure
Chairman,
Committee on Energy and Natural Resources
United States Senate
Washington, D.C. 20510

Dear Senator McClure:

The National Forest Recreation and its 5,500 members enthusiastically support the nomination of Donald Hodel for the position of Secretary Of The Interior.

Mr. Hodel's experience as Under Secretary provides the "running start" that will be essential. We believe that his high personal interest in the economic and spiritual values of recreation will enable a synergistic relationship with the just-appointed President's Commission on Outdoor Recreation Resources Review, a key concept in formulating the public/private recreational equation that can lead us through the next twenty years.

We respectfully urge your support, and that of The Committee, for Don Hodel as Secretary of The Interior.

Sincerely,

Gaylord L. Staveley
Gaylord L. Staveley
President, NFRA

DIRECTORS/DIVISIONS

WINTER SPORTS
JACK BOZUNG (V. Pres.)
Santa Monica, California
LLOYD BOLANDER
Vadito, New Mexico
MEL BORGERSEN
Seattle, Washington
ROBERT KNOUS
Denver, Colorado
LYNN NEWCOMB
La Canada, California
TERRY TOGNAZZINI
Wrightwood, California

HOME OWNERS
ROBERT ERVIN (V. Pres.)
Gladstone, Oregon
DON COONS
Salem, Oregon
G. SCOTT HANSEN
Richfield, Utah
W.E. THOMAS
Sacramento, California
MEREL WOODS
Bailey, Colorado
WILLIAM WORDEN
Pasadena, California

RESORTS
STEVE DURAND (V. Pres.)
Mesa, Arizona
VIRGINIA BARNES
Los Altos, California
JERRY HAMBY
Benton, Tennessee
STEVE KOCH
Diamond Lake, Oregon
GARY SADA
Mt. Laguna, California
ROLAND WEBB
Palo Alto, California

PACKER OUTFITTERS
C.R. RICH (V. Pres.)
Seeley Lake, Montana
ARCH ARNOLD
Kamas, Utah
JACK COLE
Lincoln, Nebraska
HERBERT LONDEN
Bishop, California
WILLIAM MITCHELL
Aspen, Colorado
ROBERT TANNER
Mammoth Lakes, California

RIVER OUTFITTERS
BILL CANNING (V. Pres.)
Fresno, California
JOHN BURTON
Bryson City, N.C.
RICHARD LINFORD
Oakland, California
HANK MILLER
Salmon, Idaho
GAYLORD STAVELEY
Flagstaff, Arizona
DENA STILSON
Jackson, Wyoming

MARINE RETAILERS ASSOCIATION OF
11511 KATY FREEWAY SUITE 335
HOUSTON TX 77079 04AM

Western Union Mailgram

4-0467798035 02/04/85 ICS IPMBNGZ CSP WHSB
3126096111 MGMB TDBN HIGHLAND PARK IL 96 02-04 0405P CST

HONORABLE JAMES MCCLURE, CHAIRMAN
COMMITTEE ON ENERGY AND NATIONAL RESOURCES
(SD-358)
U.S. SENATE
WASHINGTON DC 20510

COMMITTEE ON
ENERGY AND NATURAL RESOURCES
FEB 1985
20510

ATTN: RICHARD GRUNDY
THE MARINE RETAILERS ASSOCIATION OF AMERICA, AND ORGANIZATION MADE UP OF MORE THAN 2,000 MARINE RETAILERS FROM COAST TO COAST, STRONGLY SUPPORTS THE NOMINATION OF DONALD HODEL AS SECRETARY OF THE INTERIOR. WE BELIEVE THAT HIS BACKGROUND, HIS HIGH STANDARDS OF CONDUCT, AND HIS FAMILIARITY WITH THE FUNCTIONS OF THE INTERIOR DEPARTMENT MAKE MR HODEL AN IDEAL PERSON TO ADMINISTER THAT DEPARTMENT. WE HIGHLY RECOMMEND HIM FOR THAT POSITION, AND GIVE HIM OUR COMPLETE ENDORSEMENT.

GORDON PETERSON, PRESIDENT
MARINE RETAILERS ASSOCIATION OF AMERICA
11511 KATY FREEWAY, SUITE 335
HOUSTON, TX 77079
(713) 558-2505

17:15 EST

MGMCOMP

Wildlife Management Institute
Suite 725, 1101 14th Street, N.W., Washington, D.C. 20005 • 202/371-1808

DANIEL A. POOLE
President
L. R. JAHN
Vice-President
L. L. WILLIAMSON
Secretary
WESLEY M. DIXON, Jr.
Board Chairman

Official Committee File

January 31, 1985

SENATE COMMITTEE ON
ENERGY AND NATURAL RESOURCES
FEB

The Honorable James A. McClure, Chairman
Committee on Energy and Natural Resources
Senate Dirksen Office Building
Washington, D.C. 20510

Dear Senator McClure:

The nomination of Donald Paul Hodel as Secretary of the Interior is of interest to the Wildlife Management Institute because of the vast renewable natural resource responsibilities held by that department.

We believe that the Secretary should have exceptional administrative abilities to manage the important, and sometimes conflicting, programs that are in Interior's portfolio. We believe that the Secretary should be committed to improving the efficiency of Interior's efforts, yet always with the basic purpose of enhancing the renewable resources involved. We also believe that the Secretary should be very sensitive to the needs of numerous public resources such as fish, wildlife and recreation, that do not produce significant income to the federal government, but which are most important to people as well as many industries and small businesses.

In our opinion, Mr. Hodel has had exceptional administrative experience as head of the Bonneville Power Administration and Energy Department. And he gained specific knowledge of Interior's operations during service as the Department's Under Secretary.

We have no reason to believe that Mr. Hodel will not strive to make needed improvements in the Department's natural resource management programs. And we are confident that he can exhibit proper concern for the noneconomic resources that would be under his care. Therefore, we believe that Mr. Hodel possesses the qualities that would serve him well as Secretary of the Interior.

I would appreciate having this letter included in the hearing record.

Sincerely,

Daniel A Poole

Daniel A. Poole
President

DAP:msm

DEDICATED TO WILDLIFE SINCE 1911

BTAT Official Committee File

BOATING TRADES ASSOCIATION OF TEXAS
In the Center of the Sun Belt Growth of the 80s.

February 6, 1985

SENATE COMMITTEE ON
ENERGY AND NATURAL RESOURCES
RECEIVED
FEB [illegible] 1985
[illegible]
WASHINGTON, D.C. 20510

The Honorable James McClure
Chairman
Committee on Energy and
Natural Resources
U. S. Senate
Washington, D.C. 20510
Attn: Richard Grundy

Dear Mr. Chairman:

I am pleased to have this opportunity to submit the following for the record in support of the President's nomination of Donald Hodel as Secretary of the Department of the Interior.

The Boating Trades Association of Texas, of which I am president, wholeheartedly endorses Mr. Hodel. Our Association is made up of more than 650 marine dealers, manufacturers, distributors, manufacturers' representatives and banking and insurance executives from Texas. We are primarily small business men and women who take pride in working to support a portion of the recreational industry in this country.

Ours is an industry that provides unlimited opportunities for relaxation and recreation entertainment to millions of Americans. Through our nation's lakes and waters, we provide recreational opportunities for boating, fishing and swimming. Our national parks and other scenic recreation areas provide camping, hiking, skiing and a score of activities.

We need a Secretary of the Interior who understands our love of the outdoors. We need a Secretary who understands that Americans must be able to choose freely among a broad range of recreational opportunities and to constantly expand that range of choices.

Donald Hodel fits this need. He knows the issues and has shown he understands the importance of recreation in the lives of Americans. And also importantly, he has shown that he will listen and be fair in his judgments. We have personally found him to be responsive and available to talk with us about our concerns.

- more -

PRESIDENT: [illegible], Houston/1st VICE PRESIDENT: [illegible], Texarkana/2nd VICE PRESIDENT: [illegible]/SECRETARY-TREASURER: [illegible], Fort Worth
DIRECTORS: Kenneth Martin, Wichita Falls/Warren Trull, Abilene/John Marr, Borger/Gene Schkade, San Angelo/Charles Ferrell, San Antonio/Russell V. Dargel, Denton/Leslie Rover, Austin
[illegible], Victoria/Bill Ferguson, Houston/Dave Ashby, Lufkin/Floyd Crowley, Tyler/Mark Reynolds, Waco/[illegible], Fort Worth/Jim Huebner, Plano/Don Dacus, Jacksonville
DIRECTORS-AT-LARGE: Franklin Pillsbury IV, Dallas/Henry Brim, Gatesville/John Diel, Clarksville EX OFFICIO DIRECTOR-AT-LARGE: Howard Ross, Austin

Hodel will bring to the Department of the Interior the experience, management expertise, knowledge of the issues, fairness and good judgment necessary to ensure balanced recreational and Interior policies. We therefore urge a speedy confirmation of Donald Hodel as Secretary of the Department of the Interior.

Thank you for this opportunity to comment.

Sincerely,

Pat Helton

Pat Helton
President

PH/ktd

Official Committee File

Outdoor world inc
520 South Broadway (Route 25) • Aurora, Illinois [illegible] • Phone: [illegible]-1071

February 3, 1985

SENATE COMMITTEE ON
ENERGY AND NATURAL RESOURCES
RECEIVED
FEB [illegible]
WASHINGTON, D.C. 20510

Honorable James McClure
Chairman
Committee on Energey and Natural Resources
U.S. Senate
Washington, D.C. 20510
Attn: Richard Grundy

Dear Mr. Grundy:

As a Recreational Vehicle Dealer and Chairman of the Board of our national association, Recreational Vehicle Dealers Association; the news of Secretary Donald Hodel's nomination to succeed Bill Clark as Secretary of the Interior was received by me with great pleasure.

In addition to hearing him speak and speaking with him on certain pertinent issues, I believe he is certainly the best candidate for the job. He is very astute in his knowledge of the Interior and what has been evolving during the past years.

In following Don Hodel's actions during these past years, he's indicated his love of the outdoors and recreation; has expressed a view fair and equitable to all in preserving the outdoors, while still allowing the users to enjoy the land. He understands land for commodity production.

Don Hodel would make a Secretary of the Interior who would listen and be flexible. It is my belief he's already proven himself for this very important job.

Sincerely,

Fran VanPelt
Fran Van Pelt

ecology is the sport of protecting the outdoors

Official Committee File

SENATE COMMITTEE ON
ENERGY AND NATURAL RESOURCES
[illegible]
WASHINGTON, D.C. 20510

February 3, 1985
Millersville, Md. 21108

Honorable James McClure
Chairman
Committee on Energy and Natural Resources (SD - 358)
U.S. Senate
Washington, D.C. 20510

Dear Senator McClure:

We endorse the nomination of Don Hodel as Interior Secretary. It is our opinion that Mr. Hodel has an in-depth knowledge of Interior's functions due to his service in 1981 and 1982 as the Under Secretary.

We believe that Mr. Hodel will bring to the Department of Interior great enthusiasm, personal interest, and a proven record. We urge your committee to consider his nomination favorably.

Thank you for your attention.

Regards,

Vaughn M. Foxwell, Jr.
Helen R. Foxwell

Vaughn and Helen Foxwell
Capitol KOA Campground
PO Box 149
Millersville, Md. 21108

RICHARD DECABOOTER
26655 CAMPAU LN
MT CLEMENS MI 48045 06AM

Western Union Mailgram

4-0028078037 02/06/85 ICS IPMBNGZ CSP WHSB
3135619490 MGMB TDBN MT CLEMENS MI 07 02-06 0756A EST

Official Committee File

SENATE COMMITTEE ON
ENERGY AND NATURAL RESOURCES
FEB
WASHINGTON, D.C. 20510

HONORABLE JAMES MCCLURE CHAIRMAN COMMITTEE ON
ENERGY AND NATURAL RESOURCES
UNITED STATES SENATE
WASHINGTON DC 20510

ATTN RICHARD GRUNDY
NATIONAL CAMPERS AND HIKERS ASSOCIATION ENDORSES MR DON HODEL'S NOMINATION AS SECRETARY OF THE INTERIOR WE HAVE MET MR HODEL WHEN HE WAS UNDER SECRETARY OF THE INTERIOR WE DISCUSSED MANY CONCERNS WE HAVE HAD WITH THE NATIONAL PARKS AND RECREATION AREAS WE BELIEVE HE DOES NOT MAKE SNAP DECISIONS BUT POOLS HIS NATURAL RESOURCES MAKES DECISIONS FAIR FOR ALL

RICHARD DECABOOTER PRESIDENT NATIONAL CAMPERS AND HIKERS ASSOC

07:55 EST

MGMCOMP

MARVAC

MICHIGAN ASSOCIATION OF RECREATIONAL VEHICLES AND CAMPGROUNDS

19045 FARMINGTON ROAD LIVONIA, MICHIGAN 48152 AREA 313-477-3434

Official Committee File

SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES
RECEIVED
FEB 08
WASHINGTON, D.C. 20510

February 4, 1985

Honorable James McClure, Chairman
Committee on Energy and Natural Resources (SD 358)
United States Senate
Washington, D.C. 20510

Attention: Richard Grundy

Dear Senator McClure:

I would like to endorse the nomination of Donald Hodel to serve as Secretary of the Interior. We believe that he will be an excellent Secretary.

Mr. Hodel understands the Department of Interior because he has served two years as an under-secretary. He has won high marks as an administrator both in the Energy and Interior Department.

He understands the problems of recreation and people's needs for recreation. Mr. Hodel has a solid background in providing recreation opportunities or public land. He is in absolute opposition to discrimination against recreation in our national energy policy.

Mr. Hodel listens to all sides prior to making a decision of balance. We therefore, urge the Committee on Energy and Natural Resources to approve the nomination of Mr. Hodel.

Sincerely,

David S. Pickering
RV Director

DSP/md

Eastern Professional River Outfitters
Box 119
Oak Hill, West Virginia 25901
304-465-1412

FRANK LUKACS
president
central region director

IMRE SZILAGYI
vice president
director at large

BOB SEHLINGER
secretary treasurer
director at large

KEN POWLEY
northern region chairman

JON DRAGAN
central region chairman

BARRY DOMBRO
southern region chairman

JOHN CONNELLY
northern region director

MIKE TOUSEY
central region director

directors at large
MARC HUNT
JOHN HICKS

January 29, 1985

SENATE COMMITTEE ON
ENERGY AND NATURAL RESOURCES
FEB 08
WASHINGTON, DC 20510

The Honorable James McClure
Chairman
Committee on Energy & Natural Resources
U.S. Senate
Washington, D.C. 20510

Dear Senator McClure:

I am writing on behalf of Eastern Professional River Outfitters Association to express our strong support for the confirmation of Mr. Don Hodel as Secretary of the Interior. From our viewpoint Mr. Hodel's experience at Interior, his reknown administrative skills, and his personal interest in outdoor recreation are among the most desirable traits of any prospective Secretary of the Interior.

Americans' love for outdoor recreation is evidenced by the increasing levels of public participation in whitewater recreation, skiing, and other outdoor activities. The growth of public participation in "river running" alone has quadrupled over the past two decades. As a "river runner" and outdoor enthusiast, Mr. Hodel understands the vital role that recreation plays in the economic and social well being of this nation. We are confident that he will not sacrifice our national heritage to unchecked, imprudent commodity production.

For these reasons, we encourage you and your collegues to move forward with the confirmation of Donald Hodel as Secretary of the Interior.

Thank you for your consideration of outdoor recreation.

Sincerely,

David L. Brown

David L. Brown
Executive Director

DLB/ps

February 1, 1985

9927 Hallack Avenue
Northridge, CA 91324
(818) 349-6738

President Ronald Wilson Reagan
The White House
Washington, D. C.
20500

My dear Mr. President,

Choose people of better judgement, intelligence and higher morality than:

Don Hodel for Secretary of Interior

Don Hodel was responsible for planning Washington State Public Power Systems' five nuclear reactors. Not only did he fail to consider the problem of disposing of nuclear waste. He apparently has no skill in cost vs. benefit analyses. Construction of the nuclear power plants caused huge debts before they could produce power. Three of the planned five nuclear reactors had to be cancelled. There was more power than anybody could sell.

Members of the "financial community", or "public" who bought triple A bonds to finance Washington Public Power System lost their money.

Seattle Power and Light won lawsuits and will not need to pay back WSPPS investors. This whole project has been called WHOOPS!

We have good reason to think that Don Hodel should never have been appointed Energy Secretary. He certainly should not be promoted to Secretary of Interior.

Those who were stupid enough to invest in WHOOPS nuclear energy should jolly well bear their loses. That is one of the functions of the enterprise economy. Those who take risks should bear them.

We do not want taxpayers to under-write losses that stem from such egregious errors in judgement as those made by Don Hodel.

Get somebody better than Don Hodel for Secretary of Energy and Secretary of Interior.

Very truly yours,

Marilyn Stout

Marilyn Stout